



TECHNICAL ASSISTANCE REPORT

SURINAME

Financial Stability, Monetary Policy, and
Central Bank Communication

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Executive Summary

The mission focused on strengthening the Central Bank of Suriname's (CBvS) communication on monetary policy and financial stability. Effective communication is critical to enhancing the CBvS's credibility and improving the effectiveness of its policies. Transparent and consistent messaging helps build public trust, anchor expectations, and foster accountability. The mission conducted a thorough evaluation of the CBvS's existing communication frameworks, identifying key challenges related to transparency, consistency, and stakeholder engagement. The recommendations provide a roadmap for adopting international best practices to align the CBvS's communication strategies with those of leading inflation-oriented central banks.

By implementing these recommendations, the CBvS will strengthen stakeholder confidence, and be better equipped to effectively fulfill its mandate of achieving price and financial stability. Key reforms include introducing systematic communication processes and integrating them into the CBvS's broader operational and strategic frameworks. These measures will also help the CBvS improve its ability to guide market expectations and respond effectively to economic and financial developments.

Institutionalizing structured monetary and financial stability decision-making processes is critical for effective governance. The mission recommends establishing fixed schedules for Monetary Policy Advisory Committee (MPAC) and Financial Stability Advisory Committee (FSAC) meetings and Executive Board reviews to ensure regular assessments of policy adequacy. Enhanced scheduling, with eight monetary policy meetings and four financial stability-focused sessions annually, will enable timely responses to economic developments and ensure operational efficiency. These structured processes will form the backbone of a more transparent and predictable decision-making at the CBvS. In addition to the regular monetary and financial stability meetings, additional ad-hoc meetings could be scheduled in cases of any unforeseen circumstances.

Transitioning to an inflation-focused communication strategy is essential for managing market expectations and enhancing public confidence in sustaining a stable inflation environment. The CBvS should prioritize developing and publishing a Monetary Policy Statement (MPS) following policy decisions, complemented by regular press conferences led by the Governor to explain the decisions in a clear and accessible manner. Introducing a forward-looking Monetary Policy Report (MPR) as a flagship publication will enhance transparency by providing stakeholders with deeper insights into inflation trends, policy rationales, and the CBvS's long-term objectives.

Improving financial stability communication is equally critical for reinforcing the CBvS's role in safeguarding macroeconomic stability. The FSAC should play a central role in quarterly financial stability updates, culminating in systematic Executive Board reviews. Regular publication of the Financial Stability Report (FSR) and interim review updates, alongside press conferences and targeted seminars, will promote trust and accountability while addressing systemic risks. These measures will also help establish the CBvS as a reliable authority on financial stability.

Capacity development and outreach programs are essential for fostering stakeholder engagement and public understanding of the CBvS's mandate and policy objectives. The CBvS should invest in training programs for its staff to enhance their communication capabilities and technical expertise. In addition, targeted outreach initiatives towards opinion makers, market participants, and the wider public will ensure consistent messaging and strengthen the credibility of the CBvS's actions. Proactive engagement with external stakeholders will help build broad-based support for its policies and improve the institution's ability to achieve its objectives.

By embracing these recommendations, the CBvS can modernize its communication practices, strengthen its operational frameworks, and align with international best practices. These reforms will ultimately support

the CBvS's ability to achieve and maintain price and financial stability, fostering a more resilient and sustainable macroeconomic environment in Suriname.

Table 1. Key Recommendations

Recommendations	Priority	Timeframe ¹
The Overall Communication Framework and Strategy		
1. Develop, approve by the Executive Board, adopt, and implement the CBvS comprehensive communication strategy.	High	Near-term
a. Define the main strategic communication goals.	High	Near-term
b. Define the main target groups, including the CBvS staff.	High	Near-term
c. Define the main communication tools, including the key CBvS outlets.	High	Near-term
d. Define internal practices governing external communication.	High	Near-term
2. Specify the CBvS price stability definition (verbal or numerical) that would be institutionally adopted and repeated in public communication.	High	Near-term
3. Establish a regular training program to enhance capacity of media representatives and the CBvS staff to interpret monetary policy and financial stability messages.	High	Near-term
4. Adopt proactive communication with the key CBvS stakeholders about changes to communication practices on monetary policy and financial stability.	High	Near-term
Monetary and Financial Stability Policy Decision-making Processes		
5. Streamline the internal monetary policy formulation leading to decisions, with the Executive Board regularly meeting eight times per year.	High	Near-term
6. Adopt a regular practice of the Executive Board meeting four times per year to review financial stability assessments.	High	Near-term

¹Near term: < 12 months; Medium term: 12 to 24 months.

Recommendations	Priority	Timeframe¹
7. Make the newly established practices regarding monetary policy and financial stability fully transparent.	High	Medium-term
Monetary Policy Communication		
8. Switch the focus of monetary policy communication on the price stability objective and the policy narrative and away from operational details (open market operations).	High	Near-term
9. Adopt regular communication practices involving the publication of press release after each decision, followed by a press conference led by the Governor.	High	Medium-term
10. Streamline the CBvS publication portfolio, develop, and publish the CBvS quarterly Monetary Policy Report as a flagship publication.	Medium	Medium-term
11. Develop a comprehensive outreach program towards a diverse set of audiences.	Medium	Medium-term
Financial Stability Communication		
12. Adapt regular communication practices involving the publication of press release after each review.	Medium	Medium-term
a. The annual review based on the financial stability report release should be followed by a press conference led by the Governor.	High	Near-term
b. Organize regular seminars with professional target audiences after each semi-annual review.	Medium	Medium-term
c. Over the medium term, establish the practice of publishing an interim update to the annual financial stability report followed by the Governor-led press conference.	Medium	Medium-term
Strengthening the Communication Function		
13. Designate experts in the monetary policy and financial stability roles to liaise with the communication team.	High	Near-term
14. Provide communication training for the designated experts.	Medium	Near-term

Recommendations	Priority	Timeframe ¹
15. Provide regular financial stability and monetary policy training for the Communication Department staff.	High	Near-term
16. Provide regular trainings on expert topics to members of Suriname's media.	Medium	Medium-term

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Acronyms and Abbreviations

CARTAC	Caribbean Regional Technical Assistance Centre
CBvS	Central Bank of Suriname
FSAC	Financial Stability Advisory Committee
FSR	Financial Stability Report
IMF	International Monetary Fund
MPAC	Monetary Policy Advisory Committee
MPR	Monetary Policy Report
MPS	Monetary Policy Statement
MTF	Money targeting framework
TA	Technical assistance

Preface

At the request of the Central Bank of Suriname (CBvS), a CARTAC mission was organized in person from November 4 to November 8, 2024, to assist the authorities in enhancing its communication on monetary policy and financial stability.

The mission was conducted by Mr. Petr Jakubik (Financial Stability Resident Advisor) and Mr. Marek Petrus (IMF Short-term Expert). It met with the Governor Maurice Roemer; Deputy Governor of Supervision, Mr. Rakesh Adhin; Deputy Governor of Monetary Affairs, Mr. Harry Dorinnie; Deputy Governor of Payments and Market Infrastructures, Mr. Ricky Soedamah; Head Strategic & Project Management, Ms. Ruth Fränkel; Head of Communication Department, Mr. Kenneth Wong A Tsoi; Head of Financial Stability Department, Ms. Rosminie Warsosemito; Deputy Head of Financial Stability Department, Mr. Jonathan Mangoendinomo; Head of Open Market Operations Department, Ms. Daniella Wondel; Head of Research Department, Mr. Sanjay Gaurisankar; Head of Statistics Department, Ms. Saira Jahangir-Abdoelrahman; Acting Head of Financial Markets Department, Ms. Sjahnaz William; Head of Insurance Supervision Department, Ms. Patricia Pocorni; Head of Pension Fund Supervision Department, Ms. Maltie Bholasing; Head of Credit Union Supervision Department, Ms. Agnes Choennie; Deputy Head of Research Department, Ms. Peggy Tjon Kie Sim-Balker; Deputy Head of Pension Fund Supervision Department, Mr. Isstvan Terlaan; Section Head of Monetary Sector, Nancy Ong A Kwie – Jurgens; Section Head of Control Division, Ms. Astrid Lauwerends; and all other staff involved. The mission wishes to thank all CBvS staff for their cooperation and productive discussions.

I. Introduction

- 1. The aim of the mission was to enhance the CBvS communication on monetary policy and financial stability.** The mission focused on evaluating and strengthening CBvS's current communication frameworks, particularly emphasizing the effectiveness of monetary policy and financial stability communication. The scope of the mission was squarely focused on external communication, but the internal processes necessary to develop external communication were also covered. Additionally, the mission assessed the progress made on the recommendations provided in the November 2022 CARTAC technical assistance (TA) mission regarding strategies for improving the Financial Stability Report (FSR) and related communication. This mission built on this previous work to implement effective communication tools and techniques for both domestic and international stakeholders, covering both key policy areas – monetary policy and financial stability.
- 2. Effective communication is essential for a central bank's ability to achieve and maintain price stability within a reserve money targeting monetary policy regime, as well as to ensure financial stability.** The CBvS has recognized several challenges in its current communication strategy regarding monetary policy and financial stability, which have motivated the request for TA. By conducting a thorough diagnostic of the current communication frameworks and evaluating the progress on recommendations from the 2022 TA, this mission aimed to refine the Bank's messaging on both monetary policy and financial stability. This will strengthen public understanding and confidence in CBvS policies, ultimately supporting price and financial stability and reinforcing the Bank's credibility with stakeholders.
- 3. Since adopting a floating exchange rate in June 2021, the CBvS has applied reserve money as the policy target for controlling inflation to achieve price stability.** The CBvS conducts open market operations through auctioning of CBvS term deposits followed by the issuance of Central Bank Certificates to meet its reserve money target, which in turn impacts inflation. Reserve requirements, which differ for domestic and foreign currency liabilities, are used as key tools. The reserve requirement for domestic currency liabilities is set at 44%, and for foreign currency liabilities at 50%. This policy aims to manage liquidity and mitigate inflationary pressures.
- 4. Following recommendations from the November 2022 TA mission, the CBvS has sought to adopt best practices for transparency and clarity in communications on financial stability.** This has been particularly relevant for its FSR. While the FSR was introduced in 2015 as the flagship publication on financial stability analyses², the CBvS has yet to develop and adopt the tools of monetary policy communication that are widely considered a minimum standard for central banks.
- 5. The CBvS's organizational structure was reflected in the mission's objectives.** The Bank is headed by the Governor who chairs the policy-making Executive Board. The Directorate of Monetary Affairs is responsible for the monetary policy role. It is internally split among several departments with a key role of the Open Market Operations Department. The financial stability role is allocated within the Directorate of Supervision to the Financial Stability Department, which is also responsible for the FSR.

² After the initial publication of the FSR, the report was discontinued but resumed in 2021. However, the FSR has yet to be actively promoted beyond a press release, such as through press conferences, active media engagement, or similar efforts.

II. The Overall Communication Framework and Strategy

6. **The CBvS's senior management and expert staff are determined to enhance monetary policy and financial stability communication, in line with the intended modernization of policy conduct.** Transparency about the policy frameworks, objectives, and decision-making practices, as well as clear, timely, explanatory communication about decisions, the economic outlook and financial stability analyses, and the associated risks are all key to successfully fulfilling a central bank's mandate. There is a broad consensus that transparency ensures democratic accountability and legitimacy and that communicating proactively, regularly, and clearly and candidly contributes to increasing the effectiveness of monetary policy and supports the conduct of financial stability policy.³
7. **Advanced central banks use policy communications to guide expectations with a view to achieving better macroeconomic outcomes.** Research suggests that promoting a widespread understanding of the conduct and transmission of monetary policy makes it easier to achieve the objective of price stability by better anchoring inflation expectations. Speaking clearly and concisely when explaining monetary policy decisions is also critical, as evidence points to a link between people's ability to understand central bank communications and trust in the institution.⁴
8. **The mission's recommendations cover the full scope of monetary and financial policy decision-making, from decision-making practices to transparency about decisions and their communications.** The mission has identified several areas where the CBvS could increase the clarity and consistency of its communication and ensure that all key stakeholders have equal access to critical information. As such, the recommendations are structured into five groups: (i) the first aims to develop and adopt *the overall communication framework and strategy of the CBvS*; (ii) the second focuses on the design of specific *monetary and financial stability policy decision-making processes*; (iii) the third covers the introduction of regular *monetary policy communication*; (iv) the fourth suggests additional enhancements to *financial stability communication*, and (v) outlines further *communication function strengthening* needs at the CBvS.

Existing communication practices on monetary policy and financial stability

9. **Since a June 2021 policy regime change, the CBvS has faced challenges in effectively communicating its policies and actions to the market and the public.** These challenges include a lack of clarity and transparency in monetary policy decision-making and subsequent communications, insufficient engagement with stakeholders, and difficulties in conveying the rationale behind monetary policy decisions. Based on the mission's findings in discussions with external observers and stakeholders, these issues have tended to lead to misunderstandings and misinterpretations, which might undermine the effectiveness of the CBvS's policies and hurt the central bank's credibility.
10. **The CBvS has communicated sparingly and irregularly, particularly regarding monetary policy.** This lack of standard, consistent communication about policy objectives and conduct has shifted public attention toward technical details of open market operations and backward-looking economic reports, rather than fostering frequent and interactive engagement with stakeholders on achieving its price stability objective.

³ Geraats, P. M. 2006. "Transparency of Monetary Policy: Theory and Practice." CESifo Economic Studies, vol. 52, no. 1, pp. 111-152.

⁴ Haldane, A. 2017. "A Little More Conversation, A Little Less Action." Speech at Macroeconomics and Monetary Policy Conference, Federal Reserve Bank of San Francisco, March 31.

Instead, the CBvS has adopted a reactive approach, addressing criticism or misinterpretations rather than proactively shaping public perceptions and expectations about its inflation-oriented policies. Moreover, the CBvS has yet to implement the communication tools widely considered essential for modern central banks. There are no press releases on the outcomes of periodic monetary policy reviews, no regular press conferences, and no focused reports that could lay the groundwork for a future Monetary Policy Report (MPR).

11. **The CBvS has improved its financial stability-related internal communication and processes since 2022.** The previous CARTAC TA focused on the FSR conducted in 2022 also reviewed related processes, including internal and external communication. Based on the recommendations from that TA mission, the CBvS has significantly enhanced these processes.
12. **A regular practice of preparing a detailed production plan for the FSR was established.** The FSR is produced on an annual basis. Although the first report was published in 2015, it was discontinued, and regular annual releases resumed in 2021. In line with the recommendations from the 2022 CARTAC TA mission, the Financial Stability Department created a detailed production plan adopted by all relevant department heads contributing to the report. This plan includes all steps during the production cycle, specific dates/deadlines, and responsible persons covering data, drafts of different chapters/contributions, review/comments, etc.
13. **The FSR's key issues and focus are discussed with all relevant departments before and during the report drafting.** The Financial Stability Department organizes and leads initial meetings with all contributors, including other departments, to discuss the key topics and risks to be included in the report. This discussion is based on the latest financial stability update prepared by the Financial Stability Department on quarterly basis.
14. **Additionally, a meeting with all contributors is organized midway through the drafting process to discuss the identified risks for the financial sector in more detail.** This meeting aims to implement a coherent risk story with a macrofinancial narrative, connecting different chapters in the report. It also supports synergies between the work on various topics across the drafting team.

Enhancing overall communication framework and strategy

15. **The CBvS would benefit from developing an explicit strategic framework for external communication on both monetary policy and financial stability.** This specific Strategy for Monetary Policy and Financial Stability Communication would ideally fit as a subcomponent of the overall Strategy⁵ of the central bank covering also internal communication and processes. It would articulate specific goals, messages, tools, and audiences for monetary policy and financial stability communication, and its effectiveness would be systematically evaluated. The outline of a recommended strategic framework for monetary policy is provided in Annex I.
16. **The Strategy guiding policy external communication would predominantly aim to inform the public about the primacy of the CBvS's price stability objective as well as its secondary financial stability aim.** A key goal would be to broaden the understanding of the CBvS's status, mandate, and objective as a central bank committed to pursuing and maintaining price and financial stability.⁶ On monetary policy, steering the markets' and public's inflation expectations to the CBvS's definition of price stability would be a major

⁵ Leading IT central banks develop and pursue specific and elaborate monetary policy and financial stability communication strategies as part of their overall communications, such as Sweden's Riksbank, which also makes the document public: <https://www.riksbank.se/globalassets/media/riksbanken/lagar-regler--policy/communication-policy.pdf>

⁶ According to the Central Bank Act 2022, the CBvS's main objective is to "achieve and maintain stability in the value of the currency of Suriname, i.e., price stability. Without prejudice to its primary objective, the Bank shall aim to maintain the stability of the financial system, i.e., financial stability".

communication goal. To be able to effectively and actively influence expectations, the CBvS needs to specify and agree, at the Board level, on its definition of price stability. This is particularly important in view of Suriname's history of a high, double-digit inflation at levels around 50% before a gradual decline through 2024 to single digit levels.⁷

17. **The mission team recommends the CBvS authorities to go public with their preferred price stability definition as a “single-digit inflation level”.** The mission advised the authority to focus on this and agree on this, or similar, verbal definition that would be institutionally adopted and repeated in public pronouncements, in order to help anchor inflation expectations at a low level suitable for Surinamese economy. However, the mission acknowledges that defining and publicly announcing a “verbal definition” of price stability within a money targeting framework (MTF) poses challenges. Policymakers under an MTF would need to manage the risk of public confusion between the money target and the price stability objective, since communicating a direct link between a targeted money growth and price stability has historically proven difficult in many countries. Additionally, the CBvS has opted for an MTF due to limited scope for “fine-tuning” inflation outcomes. Communicating an overly precise or narrow definition of price stability could raise credibility risks over time. To address these challenges, the mission suggested resorting to a verbal definition (i.e., “inflation in single digits”), presenting an option to be both specific enough and maintaining room for maneuver, while considering how other central banks with MTFs have communicated their price stability objectives. Such examples for monetary targeting central banks range from a very vague definition of price stability (as in the case of Seychelles⁸, classified by the IMF as monetary aggregate targeting central bank with a floating exchange rate⁹, which has communicated merely about its primary objective as a further undefined “price stability”), to Mongolia¹⁰, a former monetary aggregate targeting central bank which used to refer to its price stability objective as “ensuring sustained low levels of inflation”. Mongolia has since been reclassified as an inflation targeting central bank.
18. **The Strategy should be adopted as an CBvS document and approved by the Board.** Apart from setting the strategic communication goals, the document would seek to formulate the main strategic communication messages aiming to achieve the specified goals, break down target stakeholder groups, and develop tactics, tools, and techniques for reaching out to each target group individually (See Table 1 for the Overview of the Main Monetary Policy Communication Tools). The Strategy would have the CBvS systematically employ a wide variety of communication tools to transmit its messages to a wide array of audiences, including the CBvS staff. The central bank's employees need to be aware of policy aims and actions and understand the policy conduct to effectively serve as informal ambassadors spreading the messages in the right tone and substance.
19. **Adopting the “standard package” of monetary policy communication practices is crucial for enhancing market confidence and build public trust in the CBvS's ability to deliver price stability.** While many of the mission-recommended communication practices are typically pursued by inflation-targeting central banks, adopting the “minimum standard” is equally relevant for a money-targeting central bank such as the CBvS. The authorities' preference to continue modernizing their monetary policy framework with a floating exchange rate makes the adoption of an “inflation-targeting-like” communication strategy and practices even more topical. Among the 61 countries with de facto floating exchange rate arrangements—floating or free floating—inflation targeting (with 31 countries) is the predominant monetary anchor while in the rest of the countries it varies among monetary aggregates (6, including Suriname) and “other” (24, including the 20 European Economic and Monetary Union countries).¹¹ Clear, transparent, and consistent communication is vital for managing public and market expectations towards the policy's ultimate price stability

⁷ For details, see <https://www.cbvs.sr/en/macro-economy/inflation-and-interest-rates/inflation-2008-2020>

⁸ For details, see https://cbs.sc/Downloads/publications/MonetaryPolicy/Monetary%20Policy%20Framework_27032024.pdf

⁹ International Monetary Fund. 2024. Annual Report on Exchange Arrangements and Exchange Restrictions 2023. Washington, DC: IMF.

¹⁰ For details, see <https://www.mongolbank.mn/en/p/1094>

¹¹ International Monetary Fund. 2024. Annual Report on Exchange Arrangements and Exchange Restrictions 2023. Washington, DC: IMF.

objective, particularly in a country where monetary policy aims to control the growth of the money supply to achieve price stability.

20. **As any central bank, the CBvS must tailor its policy communication practices to its own policy conduct needs and Suriname's unique economic context and challenges.** Certain aspects of the "standard package", such as the depth and frequency of communication, must be adapted to address the specific challenges of Suriname's economy and monetary policy framework. The CBvS faces particular challenges, such as exchange rate volatility and vulnerability to external shocks, which require a flexible communication strategy. The CBvS should place emphasis on communicating the control of monetary aggregates and its implications for price stability and broader economic stability, given that monetary targeting is central to its policy approach. By adopting this approach, the CBvS can ensure that its communication not only improves public understanding but also supports the effectiveness of its monetary policy framework in addressing Suriname's unique economic circumstances.
21. **The Strategy should also aim to streamline the organization and execution of overall policy communications across the CBvS.** The mission recognizes the need to enhance collaboration between the Communication Department and the relevant expert departments in preparing communication outputs on monetary policy and financial stability and dealing with public inquiries. Under the Strategy, the Communication Department will function as a central hub, processing all media inquiries and public requests, including those related to open market operations, which are a focal point of the investing public. It will seek expert advice from relevant departments to determine the most appropriate responses. An internal Q&A and message handbook should be developed — and continuously updated as a “living document” — to serve as a valuable tool for ensuring consistency in publicly delivered messages. It should also enable responses to frequently asked questions by the public without requiring consultation with expert departments in every instance.
22. **As a rule, the Communication Department staff should be involved in the drafting and review of the press releases on policy.** It is the mission's understanding that this is not a regularly observed practice. The regular involvement of communication specialists ensures that the texts are accessible to the public and contain the right messages and that any layering of communications, including on social media, is consistent with the core monetary policy narrative. Another good practice is to develop a reference document within the Communications Department that provides speaking guidelines for public engagements with suggested key messages on current policy topics to ensure the central bank's representatives speak in one voice.
23. **The guidelines for communication on monetary policy by Executive Board members and CBvS staff require clarification.** With the introduction of new communication tools and more frequent public outreach as foreseen by the new Strategy, the CBvS needs to make internally clear who the authorized public speakers on monetary policy are. Enforcing a stiff internal communications policy and setting clear internal rules for staff on public and media communications helps prevent miscommunication in the media and the public around policy actions and leanings. In leading central banks, the rules for public communications of members in policy panels and their roles and responsibilities are typically specified. This internal regulation may designate specific department heads as expert spokespersons in their respective areas of expertise or establish guidelines for observing a so-called quiet (or blackout¹²) period during the days leading up to key decisions.

¹² See the example of the Bank of Canada: <https://www.bankofcanada.ca/core-functions/monetary-policy/key-interest-rate/blackout-guidelines/>

III. Monetary and Financial Stability Policy Decision-Making Processes

24. **The decision-making processes for monetary policy and financial stability are fundamental to the effective functioning of the CBvS, as they underpin its ability to fulfill its institutional mandate.** A well-defined, transparent, and structured framework for policy formulation ensures accountability and enhances the credibility of the central bank in the eyes of stakeholders. While monetary policy decisions aim to manage inflation and support economic stability, financial stability efforts focus on safeguarding the resilience of the financial system against risks. To strengthen these areas, the CBvS must adopt best practices in internal deliberations, scheduling, and external communication, aligning with international standards and fostering trust among market participants and the public. The following sections outline the current practices and provide recommendations for streamlining and enhancing the CBvS's approaches to decision-making on monetary policy and financial stability.

Current decision-making practices on monetary policy and financial stability

25. **Monetary policy formulation and preparation of inputs for monetary policy decision-making has been taking place on the platform of the Monetary Policy Advisory Committee (MPAC).** The MPAC is an advisory body chaired by the Head of the Statistics Department, consisting of the heads of policy-relevant departments (Research, Open Market Operations, Banking Supervision, Financial Markets, and Financial Stability). The MPAC provides advice on the operational targets to be pursued and the method of policy implementation, while the Executive Board serves as the ultimate policy decision-making body, reaching decisions by consensus.¹³
26. **While the MPAC is intended to meet monthly, the mission understands that the advisory panel's meetings have been rather irregular.** There is no fixed calendar of MPAC meetings, and as a result, the monetary policy stance is not subject to regular, periodic review. During MPAC meetings, members take positions on the desired direction of monetary policy for the upcoming period, and the MPAC policy recommendation is presented in an internal report submitted to the Director of the Directorate of Monetary Affairs (DMZ), who – as a member of the Executive Board – is a policy maker. Once the Board adopts a decision, the resulting policy is implemented at the Board's direction. The CBvS has not yet established a routine for externally communicating its monetary policy stance.
27. **The Financial Stability Advisory Committee (FSAC), led by the Head of the Financial Stability Department, was established to enhance financial stability processes.** The committee was created in 2016 and is in line with recommendations from the CARTAC TA mission conducted in 2022. This advisory body includes representatives from all relevant departments within the CBvS. It convenes quarterly to review and discuss regular financial stability updates prepared by the Financial Stability Department and to reflect on the latest macrofinancial developments using all available data. Those updates are short providing a few key indicators.

¹³ Article 29, Central Bank Act 2022 (S.B. 2023 no.65)

Enhancing monetary policy decision-making

28. **Following a review of the decision-making practices, the mission recommends that the CBvS streamline the internal monetary policy formulation, leading to a monetary policy stance decision.** The MPAC meetings should be convened at regular intervals – eight times a year as opposed to the current intended monthly frequency – under a fixed meeting schedule that should be firm for at least 12 months ahead. A detailed calendar¹⁴ with binding deadlines for the submission of all necessary inputs for the MPAC’s consideration should be developed and regularly observed. The regular MPAC meeting should take place at a pre-determined interval, ideally not more than one week, prior to the policy-setting meeting of the Executive Board. The internal report on monetary policy should be drafted in advance of each MPAC meeting and finalized upon the meeting’s conclusion by adding the MPAC’s consensus monetary policy recommendation. This is essential to lay the groundwork for the future implementation of regular external communication regarding monetary policy decisions. In addition to the regular MPAC meetings, additional ad-hoc meetings could be scheduled in cases of any unforeseen circumstances.

FIGURE 1. A sample of a simple decision-making calendar



Source: Mission

29. **The Executive Board should review the CBvS’s policy stance eight times a year.** This is in line with the prevailing practice of inflation-oriented central banks¹⁵. This meeting schedule facilitates a frequent reassessment of the adequacy of the policy stance, enabling the CBvS to respond promptly to economic developments. It also optimizes the workload of staff by reducing the need to prepare inputs for decision-making meetings monthly while ensuring the timely preparation of all relevant inputs. The calendar with eight meetings a year will allow the CBvS in the future to smoothly transition to a standard monetary policy cycle involving four meetings with full-fledged policy reviews, complemented by four interim reviews in between the major meetings (typically in central banks held in quarterly intervals, to align with the quarterly releases of the national accounts data). In such a setup, ad-hoc review meetings may be necessary only in the event of major unexpected shocks that clearly warrant a significant revision of the policy stance.
30. **Each Executive Board meeting on the policy should conclude with the adoption of a directive on the desired monetary policy stance and a discussion of policy-consistent communication messages.** The directive should give the relevant departments guidelines for the operational implementation of the desired direction of monetary policy for the upcoming period. As input for the forthcoming meeting, expert staff will report back to the Board on the results of policy implementation. It is also essential to discuss key communication messages on the adopted monetary policy stance in the Executive Board to formulate a policy-consistent narrative for subsequent communication outputs.

¹⁴ See Maehle et al. (2021), “Taking Stock of IMF Capacity Development on Monetary Policy Forecasting and Policy Analysis Systems”, IMF Departmental Paper for elaborate comments on internal forecast and policy formulation calendar and related issues.

¹⁵ See the cross-country data on monetary policy decision-making bodies’ meeting frequency in Annex II.

31. **Going forward, it is important to enhance the transparency of monetary policy decision-making at the CBvS.** Once the decision-making practices have been internally set, the deliberation process leading to a monetary policy decision should be openly described publicly. The role of MPAC in the internal policy formulation process – as an advisory body charged with making recommendations to the policy-making Executive Board – should be communicated externally. This transparency can be achieved through a detailed description of the decision-making process in a dedicated section on the CBvS website, as well as by including a permanent preface in the CBvS’s economic reports. This report section would explicitly outline the policy formulation framework and all the steps leading to a monetary policy decision.
32. **In the future, the CBvS should adopt the best practices of central banking by announcing the calendar of regular policy meetings well in advance.** Leading central banks publish a calendar with regular meeting dates for the entire year in advance to ensure transparency and predictability in decision-making. This practice informs market participants about scheduled policy decisions well ahead of time, helping to reduce market uncertainty and volatility.

Enhancing financial stability reviews process

33. **The CBvS should adopt a regular practice of scheduling Executive Board meetings four times per year to review financial stability assessments.** These meetings should be integrated into the regular board meeting schedule and ideally preceded by discussions at the FSAC one week prior. The meetings should be planned a year in advance. Dedicating four board meetings exclusively to financial stability would emphasize its significance as the CBvS’s secondary objective, as outlined in its mandate. During these meetings, the Chair of the FSAC should present the outcomes of FSAC discussions based on the financial stability updates. One of those meetings should focus specifically on the FSR. In addition to the regular quarterly FSAC meetings, ad-hoc meetings may be scheduled in response to unforeseen circumstances, followed by Board meetings focused on financial stability topics.
34. **Transparency in financial stability is critical to fostering trust and accountability.** The CBvS should ensure that the newly established practices in these areas are fully transparent by publicly communicating key decisions and insights from the quarterly Executive Board meetings based on FSAC discussions. This can be achieved through the timely publication of meeting summaries, key findings, and policy decisions, making them accessible to relevant stakeholders and the public. Additionally, the CBvS should utilize press releases, public statements, and regular updates on its website to highlight progress, address challenges, and explain the rationale behind its decisions, further reinforcing its commitment to transparency in financial stability processes.
35. **Similarly to monetary policy, a detailed description of the financial stability review process should be communicated.** This can be achieved through a dedicated section on the CBvS website and by including a permanent preface in the CBvS’s FSR. A fully established and transparent process will also facilitate the decision-making process once the macroprudential framework is fully developed and operational.

IV. Monetary Policy Communication

36. **Recognizing the CBvS's reform drive, the mission recommends a series of enhancements to monetary policy communication in Suriname.** The measures are designed to help the CBvS adopt the key, widely accepted principles of sound and effective monetary policy communication for a modern central bank. This is in line with advances in communication pursued by central banks in other emerging markets, operating either inflation-targeting or monetary-targeting frameworks within a flexible exchange rate regime. Key improvements include clarity in explaining policy objectives, providing equal access to relevant information to all target audiences in a timely manner, tailoring messages to enhance understanding among diverse audiences, and maintaining consistency in communication over time and across public speakers.
37. **Adopting the mission-recommended practices in Suriname will help improve the public's understanding of the central bank's policy and its actions.** This will in turn enhance market and public confidence in the CBvS's ultimate objective to achieve and maintain price stability, thereby reinforcing the effectiveness of its money-targeting framework (despite the lingering challenges associated with building a public understanding between targeted money growth and price stability). Other originally monetary targeting central banks, such as Sri Lanka and Mongolia, have enhanced their communication strategies in line with the mission's recommendations for Suriname, in conjunction with their own modernization of monetary policy frameworks.
38. **Utmost care needs to be given to developing a policy narrative focused on the overarching goal of achieving and maintaining price stability in Suriname.** The CBvS's pronouncements should regularly and consistently emphasize the importance of achieving low inflation for long-term growth and prosperity in Suriname, as well as the value of a transparent and operationally autonomous central bank. All of this would contribute to building trust in the CBvS, which is the most important objective of communication with the general public.¹⁶ Trusted central banks are better positioned to influence inflation expectations effectively. The public's attention should be drawn to the economic benefits of achieving and maintaining price stability. The CBvS should speak in a tone and use a language tailored to different audiences (a press conference or a television appearance demands speaking in plain language and in "sound bites" while analyst meetings require expert vocabulary and data-driven presentation and explanation).
39. **Under the new communication strategy, the CBvS should shift the focus of its external policy communication to an inflation-focused narrative, moving away from operational details.** The CBvS's economic and policy publications have so far been centered around its open market operations, thereby also focusing the attention of the media and wider public on these operational details of monetary policy implementation. The mission encourages the authorities to strengthen the internal preparations of communication contents to clarify the overall narrative and the main message lines for communicating a policy stance. This should include developing the inputs for the MPAC consideration as well as the MPAC deliberations on its recommendation for a policy action and corresponding external communication. The price-stability-focused narrative needs to be reflected across all central bank communication outputs.
40. **When speaking more frequently in public under the new Strategy, the CBvS policymakers should avoid committing themselves strongly to a future course of action.** It is a good central banking communication practice to refer to any publicly pronounced projection as based on the current assessment of both present and future macroeconomic and financial market conditions (for example, as in "... *based on our current knowledge and assessments, the favorable trends in inflation are likely to continue* ..."). One tactic

¹⁶ Blinder, A, M Ehrmann, J de Haan and D Jansen (2022), "Central bank communication with the general public: Challenging, yet worthwhile", SUERF Policy Brief. Available at <https://cepr.org/voxeu/columns/central-bank-communication-general-public-challenging-yet-worthwhile>

employed and well-tested by central banks, such as the Czech National Bank, is to spell out explicitly both *risks* and *uncertainties* surrounding an economic outlook and corresponding policy actions. While *risks* are quantifiable and can be, in the case of a forecast, seen either on the upside or the downside, the way that *uncertainties* may impact an outlook, and a foreseen course of action, is difficult to assess. Explicit and consistent communication on both risks and uncertainties would over time help build public understanding that policymakers are making *neither promise nor commitment* and would make it easier to alter the policy course when the conditions and risk assessments change, without losing the CBvS's credibility.

Communications Toolkit

41. **The mission recommends developing standard instruments for monetary policy communication.** The recommendations focus on introducing new communication tools to bring the CBvS's toolkit portfolio and tactics with the state-of-the-art practices employed by inflation-focused central banks (see TABLE 1 for an overview of the main monetary policy communications tools). The CBvS would do well in the coming period to focus on increasing clarity and consistency of its communication, and ensure that all key stakeholders, including the financial markets and the wider public, have equal access to critical information.

TABLE 1. Suriname: Overview of Main Monetary Policy Communications Tools

Communication Tools	Purpose at Central Banks	Current Status at CBvS	Recommendation and Target Status for CBvS
Monetary Policy Statement (Press release)	Communicating on a current policy decision to meet the objective and provide the rationale behind the decision.	Not yet implemented; brief messages on monetary policy and inflation trends short-term inflation projections have been included in publications such as the Economic Bulletin and Quarterly Report.	Introduce a regular Monetary Policy Statement (MPS) and ideally commit publicly to publishing the MPS at a pre-set time on the day of the Board decision.
Press conference	Openly explaining and interpreting to the wider public, in plain language, the most recent policy decision and any analyses of the macroeconomic outlook—led by the Governor, mostly in conjunction with the publication of press release.	Not yet implemented.	Introduce a regular press conference following each MPS publication. Open the press conference with a slide deck presentation delivered by the Governor, or Deputy Governor, before opening a Q&A with media representatives. Publish the presentation on the website immediately after the press conference.

Monetary Policy Report	A flagship monetary policy publication telling a consistent story behind macroeconomic forecasts, elaborating on policy concerns, and explaining how current and future decisions and actions—and the main factors influencing them—aim to deliver price stability.	Not yet implemented; the CBvS publishes a backward-looking Quarterly Report. An internal publication, titled “Monetary Policy Report / Monetair beleidsrapport”, serves as an input from the MPAC to the decision-making at the Executive Board.	Consolidate the portfolio of economic and monetary publications by merging the Economic Bulletin and Quarterly Report into an external Monetary Policy Report (MPR) as a flagship monetary policy publication. The MPR should be published 4 times a year, in synch with 4 out of the mission–recommended 8 policy reviews. Make the MPR more forward-looking than existing publication, focusing its content on the inflation trends and outlook and policy considerations, rather than the presentation of backward–looking information.
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Source: Mission recommendations

Monetary Policy Statement

42. **The CBvS should adopt a standard practice of publishing a Monetary Policy Statement (MPS) in the form of a press release following each regular policy review meeting.** The MPS needs to articulate clearly the reasons for policy decisions and tie them to the evaluation of outlook and risks for achieving price stability to spell out the specific factors and risks in an economic analysis to provide justification for the decision taken. Over time, the MPS could include forward-looking statements, both near-term forecast for inflation and hints at the future monetary policy stance. These enhancements would ultimately help reveal the CBvS’s policy reaction function, shape market expectations about its current and future actions, and, in turn, increase predictability over the long run, and, with it, the effectiveness of monetary policy.
43. **The MPS should be published on the day of the policy decision, as soon as possible after its adoption by the Board.** The best practice at inflation-focused central banks is to publish the news of a policy decision at a preset time, usually as soon as possible once the policymaking body has adopted a decision. Publishing the MPS at a preset time would strengthen the CBvS’s monetary policy communication’s predictability and mitigate the risk of any – potentially credibility-damaging – leak of market-sensitive information. The MPS would ideally be posted on the website at that exact time to make the news of a policy action immediately accessible to a wide array of audiences, both domestically and abroad. Posting the MPS on the CBvS website, especially in a format that makes it easy to copy and paste its text, would also help ensure that the media accurately reports on monetary policy decisions.

Monetary Policy Decision Press Conference

44. **The CBvS should adopt a regular practice of holding a press conference, led by the Governor, in conjunction with the release of the MPS.** The press conference could be held with a 1-to-2-hour delay from the MPS publication. Most inflation-oriented central banks first break the news of their decision via a press

release, distributed to the news agencies, and other media and posted on the bank's website. Only then, if not simultaneously, is the press conference held to elaborate on the press release. The recommended gap between the MPS release and the press conference would also provide media representatives with some time to digest the key messages and prepare better-informed questions for the policymakers.

45. **The mission recommends that the CBvS use the press conference to deliver a high-level slide presentation with core headline messages.** The press conference presentation should be published on the website immediately after its delivery at the event. Doing so would uphold the communication principle of simultaneously reaching all relevant target audiences, from financial markets to the general public. The slide deck should be prepared in a manner that provides the Communications Department with visual materials (including charts) for subsequent communications utilizing the website and social media platforms. This approach aligns with the principle of layering information towards various audiences, thereby tailoring the messages and content to their respective levels of expertise.

Monetary Policy Report

46. **The mission recommends that the CBvS consolidate its economic publications into a precursor Monetary Policy Report (MPR), which could later be developed into a full-fledged flagship publication.** The CBvS should introduce an MPR in addition to its already established FSR as a flagship monetary policy publication. The precursor of a new MPR would ideally be drafted and discussed within the MPAC as an internal document to be submitted to the Board to support the subsequent policy deliberations in the Board's regular meetings on monetary policy. When the Board has made a policy decision, the internal report should be converted into a public document as the MPR, incorporating any changes needed to make its contents consistent with the Board-adopted policy. The report should ideally be published within 3 weeks of the policy decision announcement.
47. **The new MPR could be formed by merging the existing backward-looking Quarterly Report and the Economic Bulletin.** The mission noted there is a certain overlap between the two publications. The recommended approach would mean that the policy-relevant and inflation-focused content of the Economic Bulletin is replaced by the new MPS, and the Quarterly Report is superseded by the new MPR. The CBvS's existing publications already include discussions of short-term inflation projections, which could serve as the foundation for the forward-looking chapters of the new MPR.
48. **The mission advises that the CBvS gradually – and over time – aspire to make the MPR forward-looking, and policy focused.** Leading central banks have adopted a “top-down” approach to their policy reporting, presenting the forecast and policy implications at the beginning of their publications and reserving detailed, backward-looking information about past economic developments to the later parts and statistical annexes. Making the MPR – gradually and over time – more forward-looking would underscore a gradually increasing emphasis on a forward-looking nature of policymaking under the CBvS's reserve money targeting regime geared toward price stability.

Comprehensive Outreach Program

49. **To support the introduction of new communication practices and tools, the CBvS should develop a comprehensive outreach program for a diverse set of audiences.** The CBvS should start routinely reaching out to the media, markets, and the wider public with messages about its policy decisions and how they relate to the primary objective of price stability within a framework with a floating exchange rate. This program would ideally involve proactive and frequent communication on social media about policy-relevant topics and panel or roundtable discussions of Board members and heads of relevant departments with key stakeholders.

50. **As part of the program, the CBvS should engage more frequently with outside experts and other relevant stakeholders.** The regular and frequent interactions of CBvS policymakers and management staff with a diverse group of expert audiences would increase policy transparency. As in many other peer central banks, the program may include organizing nationwide seminars and developing economic literacy programs tailored to young generations and other segments of the public, facilitating focused seminars for business leaders to address industry-specific concerns and discuss the macroeconomic outlook, and hosting town hall meetings to foster direct dialogue and transparency with stakeholders. Importantly, this outreach would provide a solid base for anchoring medium-term and long-term inflation expectations by detailing the policy motivations, the macroeconomic assumptions and the CBvS's near-term inflation projections.
51. **By increasing stakeholder engagement, the CBvS will foster clarity and a shared understanding of the economic challenges it faces in implementing price-stability-oriented policy.** It would be important to use outreach events not only to inform about decisions, policy considerations, and macroeconomic analyses but also to hear out the stakeholders' concerns. This will build trust, strengthen stakeholder relationships, and help prepare the ground for any future decision to be better understood and more likely to be better accepted. Embarking on an outreach program would also gradually enhance the profile of the CBvS as an open and accountable public institution that not only speaks to but also listens to its external audiences.

V. Financial Stability Communication

52. **In the area of financial stability, the CBvS should also establish regular communication practices, including issuing press releases after each semi-annual review.** The annual review, based on the release of the FSR, should be accompanied by a press conference led by the Governor. In the medium term, the CBvS should establish the practice of publishing an interim update to the FSR, followed by a Governor-led press conference.
53. **The CBvS should also organize regular seminars targeting professional audiences after each semi-annual review.** These seminars should be accessible to relevant CBvS staff to enhance their awareness of financial stability issues. Additionally, these events could serve as a platform for dialogue with market participants, providing an opportunity to gather insights and inputs that could shape the focus of future FSR.
54. **In the absence of an operational macroprudential framework, communication serves as the most important tool for addressing systemic risk.** While a basic macroprudential framework has been prepared and discussed internally, it is not yet operational. Therefore, the CBvS currently has no prudential tools under its control. Hence, following each semi-annual review, the Executive Board should identify key vulnerabilities to be communicated to influence the behavior of relevant economic agents. This objective should be clearly reflected in the published press releases.
55. **Monitoring and maintaining financial stability are the sole responsibilities of the CBvS.** The central bank is fully in charge of the entire financial system. Additionally, the CBvS produces its own internal macroeconomic projections, which could be used to design adverse macroeconomic scenarios for financial stability assessments.
56. **Similarly to monetary policy, the CBvS should develop a comprehensive outreach program tailored to a diverse set of audiences.** This program, to be implemented over the medium term, should ensure regular communication with the media, markets, and the general public to convey key financial stability messages effectively. Ideally, it would include proactive and frequent use of social media to discuss financially relevant topics. Additionally, the CBvS should enhance its engagement with external experts and influencers, fostering collaboration and dialogue. Regular and meaningful interactions between CBvS policymakers, staff, and diverse expert audiences would help broaden the understanding of financial stability concepts and the CBvS's responsibilities. By increasing stakeholder engagement, the CBvS can raise awareness of financial stability issues and positively influence economic agents' behavior in a desired manner.

VI. Strengthening the Communication Function

57. **Enhancing Communication Capacity for Monetary Policy and Financial Stability is essential for the CBvS to deliver on its mandate.** This would help to strengthen the implementation of the CBvS communication strategy and ensure effective dissemination of key financial stability and monetary policy messages.
58. **The CBvS should designate dedicated experts from both monetary policy and financial stability roles to act as liaisons with the Communication Department.** These experts will serve as the primary points of contact, ensuring that the technical details and objectives of monetary policy and financial stability initiatives are accurately and effectively conveyed to the communication team. This collaboration will enhance the alignment between technical departments' analyses and the contents of communication outputs, ensuring that all publicly communicated messages are clear, accurate, and impactful for diverse audiences, including the public and market participants.
59. **The CBvS should organize tailored internal communication training for the designated experts in monetary policy and financial stability.** This training should focus on translating complex technical information into accessible language while maintaining accuracy and consistency. Building these skills will empower the experts to support the Communication Department effectively, particularly in preparing press releases, public statements, and other outreach materials.
60. **The CBvS should also implement an internal program of regular monetary policy and financial stability training for the Communication Department staff.** This training will enhance the communication specialists' understanding of key technical concepts and developments, enabling them to craft messages that resonate with their target audiences while accurately reflecting the central bank's objectives. Regular training sessions will ensure that the Communication Department remains up to date with evolving economic conditions, policy changes, and best practices in central bank communication.
61. **The mission team believes that the current CBvS communication staff has the capacity to design mechanisms and procedures for gradually developing external communications.** By implementing the proposed measures to strengthen the connection between functional teams and communication department staff, the CBvS will be well-positioned to execute all recommendations. This will improve external communication, build trust, and support the effective implementation of central bank policies in the areas of price and financial stability.
62. **The CBvS should also resume providing regular trainings on expert topics to members of Suriname's media.** Based on the mission's interactions with local journalists and social media influencers, there is room to improve their understanding of the price and financial stability mandate of the CBvS, including the primacy of its price stability objective and a reserve money targeting regime with a floating exchange rate. To build the capacity of members of Suriname's media sector to interpret the MPS and press conference messages in their reporting, the CBvS should conduct regular journalist trainings, ideally in quarterly intervals.
63. **Strengthening the communication infrastructure will enhance the CBvS's ability to effectively convey critical information on monetary policy and financial stability.** These actions will also foster greater transparency and trust among stakeholders, contributing to a more stable macroeconomic and macrofinancial environment. Future TA could focus on a further capacity building, providing a hands-on training to the CBvS staff, local media representatives, as well as supporting the central bank in the implementation of the mission recommended measures, including the development and launch of the MPR.

64. **Assessing the resources and analytical capacity of the CBvS is essential to support the implementation of the communication recommendations.** Given the communication recommendations related to both monetary policy and financial stability, it is critical to evaluate whether the CBvS has adequate resources and analytical capacity to effectively implement these practices. Based on the mission team's overall assessment, the bank's capacity appears sufficient to begin gradually implementing the proposed recommendations. However, the CBvS's current detailed modelling and forecasting capacities were outside the scope of the mission. The CBvS will need to conduct a further assessment of its capacity to determine what policy analyses and forecasts can be included in a forward-looking MPR, ensuring alignment with best practices. Understanding the CBvS's existing data processing capabilities, forecasting tools, and staff expertise in analyzing complex economic conditions will be essential to gauge what can be incorporated into the MPR to enhance transparency and guide market expectations. Strengthening these capabilities further through targeted capacity development and technical support, such as CARTAC TA, would help the CBvS effectively implement its enhanced communication strategy.

VII. Conclusions

65. **Enhancing communication practices is critical to strengthening the CBvS's credibility and policy effectiveness.** The Central Bank of Suriname (CBvS) aims to improve its communication on monetary policy and financial stability to address current challenges in transparency, consistency, and stakeholder engagement. Adopting international best practices, such as a comprehensive communication strategy, a regular policy review and communication, and forward-looking publications, will reinforce its credibility and enable the CBvS to guide market expectations more effectively.
66. **Institutionalizing structured monetary policy decision-making will enhance transparency and predictability.** The CBvS would do well to establish a fixed calendar for Monetary Policy Advisory Committee (MPAC) meetings and Executive Board reviews to institutionalize its monetary policy decision-making process. Aligning with best practices, such as holding eight policy-setting meetings annually, will allow for timely reassessments of policy adequacy and improve the transparency of monetary policy formulation.
67. **Transitioning to an inflation-focused communication strategy will align the CBvS with leading central banks.** Shifting external communication to emphasize inflation control as the primary policy objective is essential. Publishing a regular Monetary Policy Statement (MPS) as soon as possible after policy decisions and hosting press conferences led by the Governor will improve the clarity and accessibility of key messages. Developing a forward-looking MPR as a flagship publication will provide stakeholders with insights into inflation trends and policy rationales.
68. **Enhancing financial stability processes will reinforce the CBvS's secondary mandate and policy objective.** The CBvS has taken steps to strengthen financial stability processes by implementing recommendations from the prior TA mission. Regular Executive Board meetings dedicated to financial stability, complemented by transparent communication of the Financial Stability Report (FSR) and interim updates, are essential. Proactive stakeholder engagement, including press conferences and seminars, will further build trust and accountability.
69. **Capacity development and targeted outreach are key to improving stakeholder engagement and public understanding.** To support a successful implementation of the mission's recommendations, the CBvS should focus on capacity building for its staff and external stakeholders. Regular training programs for staff and media representatives will enhance the understanding of monetary and financial stability issues. Additionally, targeted outreach to policymakers, market participants, and the general public will foster awareness and support for the CBvS's objectives, ensuring effective policy implementation and economic resilience.

Annex I – Outline of a Strategic Framework for Monetary Policy Communication

OUTLINE OF AN OVERALL STRATEGIC FRAMEWORK

The central bank's strategy guiding monetary policy and financial stability communications should aim to inform the public about the primacy of the central bank's price stability objective, its financial stability objective, and the importance of achieving and maintaining low and stable inflation and maintaining the stability of the financial system as pre-conditions for long-term growth and economic prosperity in Suriname.

Main strategic communication goals

The strategy should establish a predetermined set of main goals for an institution's communication on policy. The attainment of these goals, which should be set as measurable, will subsequently be evaluated against predetermined benchmarks established by the institution's communication department.

Examples:

- Broadening the understanding among market participants and the public as to what is the central bank's status as an autonomous public institution, its mandate, and monetary policy objective.
- Rebuilding credibility of the institution as a central bank committed to pursuing and maintaining price stability.
- Steering the markets' and public's inflation expectations to the central bank's target over the medium term.
- Building public understanding – in both urban and rural areas - for the way monetary policy changes affect the economy and the income of individual citizens, thereby promoting economic literacy among the country's population.
- Reinforcing the public image of the central bank as a professional, autonomous, transparent – and thus accountable and trustworthy – public institution.

Main strategic communication messages

The communication department staff – in close cooperation with the relevant departments – should develop proper messages tailored to the needs of an audience. These core institutional messages should then be consistently reflected in all institution communication outputs.

Examples:

- The institution is the country's central bank, meaning it is the banks' bank, an autonomous and accountable public authority responsible for the administration, supervision, and regulation of the country's monetary, financial and payments system.
- Stabilizing inflation and inflation expectations is a precondition to returning to sustainable economic growth and, over the long term, ensuring economic prosperity and increasing the welfare of the country's citizens.
- The central bank's primary objective is to achieve and maintain domestic price stability, which we define as inflation in *single digits* [between X and X percent].

Target groups

The central bank's communications department could conduct a thorough stakeholder mapping and develop tactics, tools, and techniques for reaching out to each target group individually. The strategy should identify key concerns/communications themes for each stakeholder group. The underlying message that the central bank should deliver to each group needs to be in line with the main goals and messages laid out in the strategy, with a slight twist depending on the type of audience):

Examples:

- **General public**, further segmented into:
 - Young generations (incl. school children)
 - Teachers
 - Rural area residents
- **Parliament**
- **Financial market professionals**
- **Business leaders** (incl. bank CEOs, and company CEOs).
- **Employees** of the central bank.

Main communication tools

The strategy needs to specify how the central bank seeks to systematically employ a wide variety of communication tools to ensure that it effectively reaches out to a wide array of target groups. A particular target group segment may require a particular mix of communication tools for the central bank to effectively get its message across.

Examples:

- The central bank's **website** (important is to include special sections on monetary policy mandate, policy and decision-making framework, and communications practices).
- Monetary Policy **press release**.
- Monetary Policy **press conference**.
- **Monetary Policy Report** (once published by the central bank)
- Regular direct outreach to key stakeholder groups via **speeches, media interviews, roundtable debates**, etc.
- Regular **visits to the regions**, with the following sample agenda:
 - meeting representatives of local business community in a roundtable discussion
 - paying a courtesy visit to the offices of the regional governor and local mayor
 - interviews to the local press with a view to relaying the main strategic messages of the central bank
 - lectures at a local university or another school.

Internal regulations supporting strategy execution

To help prevent miscommunication in the media and in the public around its actions and policy leanings, the central bank is advised to enforce a stiff internal communications policy and set clear internal rules for its staff on public and media communications.

All authorized public speakers should be equipped with a reference document providing speaking guidelines with suggested key messages on current policy topics to ensure the central bank's representatives speak in one voice.

Measuring

In pursuing its strategy, the central bank would benefit from an ongoing understanding of the perceptions of the public and key stakeholders of its communications to be able to create content that is relevant and engaging for individual audiences.

It is a good idea to conduct a public opinion survey to find out:

- What is the public opinion of the central bank's strategic communication goals (i.e., measure the attitudes towards the central bank)?
- What does each of the identified target groups already know about the central bank (policy institution), and what do they need to learn to get a better understanding (i.e., measure the level of public knowledge of the central bank's role and objectives) - to help design/refine the main strategic communication messages.

Annex II – Transparency Practices in Leading Central Banks

	Publish Calendar Policy Meetings	Number of Meetings (per year)	Publish MPR (per year)	Publish Inflation Forecasts
Advanced Economies				
Australia	Next 12 months	11	4	✓
Canada	Next 12 months	8	4	✓
Czech Republic	Next 12 months	8	4	✓
Euro Area	Next 12 months	8	4	✓
Iceland	Next 12 months	6	4	✓
Israel	Next 12 months	8	2	✓
Japan	Next 12 months	8	4	✓
Korea	Next 12 months	8	4	✓
New Zealand	Next 12 months	7	4	✓
Norway	Next 12 months	8	4	✓
Sweden	Next 12 months	5	5	✓
U.K.	Next 12 months	8	4	✓
U.S.	Next 12 months	8	4	✓
Emerging Market and Developing Economies				
Albania	Next 12 months	8	4	✓
Argentina		12	4	✓
Armenia		8	4	✓
Brazil	Next 12 months	8	4	✓
Chile	Next 12 months	8	4	✓

Colombia	Next 12 months	8	4	✓
Dominican Republic		12	2	✓
Georgia	Next 12 months	8	4	✓
Ghana	Next 12 months	6	6	✓
Hungary	Next 12 months	6	4	✓
India	Next 12 months	6	2	✓
Indonesia	Next 12 months	12	4	✓
Kazakhstan	Next 12 months	8	4	✓
Kenya	Next meeting	6	2	
Mexico	Next 12 months	8	4	✓
Moldova	Next 12 months	8	4	✓
Peru	Next 12 months	12	4	✓
Philippines	Next 12 months	8	4	✓
Poland	Next 12 months	12	3	✓
Romania	Next 12 months	8	4	✓
Russia	Next 12 months	8	4	✓
Serbia	Next 12 months	12	4	✓
South Africa	Next 12 months	6	2	✓
Tanzania		6	2	
Thailand	Next 12 months	6	4	✓
Turkey	Next 12 months	12	4	✓
Uganda	Next meeting	6	6	✓
Ukraine	Next 12 months	8	4	✓

Sources: Central bank websites (as of December 2023).