

## **CREATION OF THE NETWORK OF AMERICA CENTRAL BANK RESEARCHERS**

### **I. Background**

In a constant globalization era, central banks of the American Continent face similar concerns, issues, and problems. Among many others, topics such as transmission mechanisms for monetary policies; banking sector financial liberalization; optimum response evaluation within a frame of increasing competition between the financial and banking sectors; monetary, credit, and financial regulation and supervision policies effectiveness; chain effects among the region; interest rate and exchange rate determinants evaluation in economies that procure an internationalization of their activities; market risk estimation and regulation; suitable policies for the privatization of companies related to banking and financial sectors; etc.

The optimum solution of these problems requires a high-quality, active and systematic research. Here is where the experience shared with other researchers in the region adopts a unique and valuable character as for the benefits of their effort to acquaint efficient solutions through the collaboration of other researchers would be enhanced. Central banks of Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, Guatemala, Mexico, Peru and Venezuela, along with Federal Reserve System and the Bank of Canada representatives, participated in the constituting session for the Network of America Central Bank Researchers (Network) held in Mexico City on October 17, 1996. The Network is constituted to favor the expansion of direct periodical contacts among the research departments of central banks of the region and the rest of the academic, banking, and professional community with the purpose of sharing experiences about top priority topics for central banks.

### **II. Objectives**

The Network will provide a liaison to facilitate the exchange of ideas among central bank researchers of the region dedicated to solve issues of interest linked to macroeconomics, monetary, banking and financial sectors. Specifically, the Network shall seek to:

- Provide a forum to present, analyze, and discuss the results of research projects that promote the exchange of experiences with other members of central bank research departments of the region.
- Look forward to establish direct communication lines among members who work in shared interest topics.
- Facilitate the identification of joint research projects.

- Provide access to let experts, researchers, and academicians of other institutional and regional environments, participate in debates about common interest topics.

### **III. Output**

The Network shall provide the following outputs for the benefit of its members:

#### **a. An Internet Site**

Its main purpose shall be to provide central bank research departments of the region and other members an easy and fast-access meeting place, which shall permit a constant communication among them. It is of outmost importance to provide other researchers information related to the development status of specific research projects with particular interest for some of its members. In-progress or finished research projects that central bank members consider suitable to be presented to other members shall have a place in this Internet site to speed up their diffusion. Additionally, through this media, researchers shall be furnished with outstanding information related to the following aspects:

- Summaries of in-progress projects and research tasks, including methodological details.
- Summaries of monetary, financial, banking, regulation and macroeconomic topics of central banks of other regions in the world which may be of interest to the members of the Network.
- Information about publications and Internet sites that discuss and present economic themes that may be of interest for researchers.
- Reports for member researchers about meetings, conferences and seminars around the world.
- Reports about meetings called by the Network, and their related activities.
- Reports about research activities, seminars, and training opportunities that central bank research heads consider to deserve assistance.
- A direct forum to exchange experiences, activity details, and other studies in progress.
- A summary of the financial and statistical information which affects the central banks of member countries.

- Access to working papers which researchers, under the authorization of research heads, consider appropriate to be shared with other specialists in the matter, as well as a summary of studies presently in progress with details of the involved people.
- Incorporation of the Webb sites of those central banks which have this facility and which consider their inclusion as adequate to ease diffusion of investigations, publications, specific information, notifications and conference subjects.
- Literature diffusion that may interest researchers and their research departments.

The publication of these subjects in Internet will be for the benefit of member central banks, permitting a higher efficiency in information exchange, which will become agile, fluid and safe. The Internet site could have a restricted-access area for central banks that are members of the Network, and another unrestricted-access area for other visitors.

#### **a. Annual Meetings**

It is the purpose of the Network to provide a meeting place to present research subjects specifically prepared for such events. The Network's Steering Committee (see VI) shall determine the agenda for the annual meeting and shall select the central banks and experts who will present their papers, based in the research project summaries compiled by the central banks of the region. The papers that are to be presented in the conference will, at their time, have a place at the Network's Internet site.

It is the priority of these meetings to facilitate and permit the direct professional contact among the Network's integrating researchers. Economic study heads of the central banks that are CEMLA members will be invited to participate in these annual meetings, as well as the International Monetary Fund, the World Bank, the Inter American Development Bank, and the International Payment Bank, through officers with duties similar to those of the Network.

### **IV. Participants**

The Network will be integrated by the economic study heads of all the central banks that are CEMLA members, without distinction of membership. The central banks that apply to be part of the Network may do so in the future, whether they are CEMLA members or not.

The Research Network's highest executive body will be formed by an Assembly of central bank members through their corresponding economic research heads. Non-

member organizations that participate in the annual meetings may participate in the Assembly as invited members –without voting rights.

## **V. Technical Secretary**

To efficiently achieve the goals established by the organizers, the Network shall work jointly with the Centre for Latin American Monetary Studies (CEMLA) to attain the stipulated objectives. Therefore, the Network meetings and organization will count on having CEMLA's active participation as technical secretary to manage resources, organize and implement the activities programmed by the members.

## **VI. Steering Committee**

The main guidelines for the operation of the Network will be formulated by the Steering Committee, formed by five members elected by and among the economic study heads of the central banks that are Associated members of CEMLA.

The rotation of the Steering Committee members will be done in the following way:

1. In order to keep certain continuity in the operation of the Network, only one member of the Network's Steering Committee will be substituted once in a year. The new members of the Executive Committee, will be part of such Committee for a five-year term.
2. Three months before the Network's Annual Meeting, the Executive Committee shall send a letter addressed to all the economic study chiefs of the central banks in America, proposing one or more central banks that are CEMLA members to serve as new members of the Network's Steering Committee. In the invitation, economic study chiefs shall be requested to express their preference towards the candidates.
3. The proposals of candidate central banks to be members of the Steering Committee shall be based in the participation of such central banks in the activities of the Network, seeking to maintain a balance in the participation of the countries in the region.
4. The selection of the Steering Committee's new member –based in the preferences mentioned by the economic study heads of the central banks of the American Continent, as well as the designation of the committee's new coordinator- will be announced by the Steering Committee during the Network's Annual Meeting. The coordinator must be a member of the Steering Committee and will be in charge for a one year term.

The Steering Committee shall work closely with CEMLA to decide upon the basic topics of the Network, among others:

- To elaborate the agenda for the Annual Meeting, and to determine the technical and analytical quality standards of the papers to be presented.
- To manage the Internet site.
- To determine a place and date for the Annual Meeting.
- To select one of the Committee's member as its Chairman.
- Whenever necessary and appropriate, to evaluate the efforts to strengthen the relationship between the economic research departments of central banks.
- The Steering Committee will meet as deemed necessary by its members to identify the interesting topics for the Network.