

## The Accountability Framework

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Hello, my name is Susanna Grigoryan. I'm a Level One student at the Global Forecasting School and an economist at the Central Bank of Armenia.

In today's video, we explore how FPAS Mark II strengthens credibility through a robust Accountability Framework.

Accountability is a defining feature of FPAS Mark II. It ensures that monetary policy decisions are transparent, disciplined, and aligned with the mandate of price stability. The Accountability Framework gives structure to how the Central Bank of Armenia evaluates policy outcomes, reviews internal processes, and communicates results to the public.

Accountability reinforces credibility by demonstrating that decisions are evaluated against clear objectives, that mistakes are acknowledged and addressed, and that processes improve over time. Under FPAS Mark II, accountability is continuous, not episodic. It is built directly into the 29-day policy cycle and the institutional communication strategy.

Policy success is assessed against inflation developments relative to the target, measures of underlying inflation, economic slack and labor market indicators, financial stability metrics, and external and geopolitical risks. FPAS Mark II emphasizes evaluating outcomes within an uncertainty-aware, least-regrets framework, avoiding rigid scorekeeping while maintaining transparency.

Internal accountability is strengthened through post-round reviews, forecast performance assessment, scenario effectiveness evaluations, credibility and expectations analysis, and communication quality checks. These reviews build institutional memory and reinforce learning across policy rounds.

Transparency also requires external accountability. This includes the publication of the Monetary Policy Report, the Executive Statement, attributed minutes, press conferences, and annual reviews. External accountability reinforces democratic legitimacy and allows experts, analysts, and the public to scrutinize policy decisions under FPAS Mark II.

Accountability is not merely procedural—it is cultural. FPAS Mark II promotes humility in decision-making, openness about uncertainty, willingness to revise assessments, and clear communication of risks. This culture ensures that accountability becomes a source of strength rather than constraint.

The Accountability Framework of FPAS Mark II ensures that the Central Bank of Armenia remains transparent, credible, and aligned with its mandate. By integrating accountability into analysis, communication, and institutional learning, the Bank strengthens public trust and enhances policy effectiveness.

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### Literature & Further Reading

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