

## Welcome to the Central Bank of Armenia

### Note

Welcome to the Central Bank of Armenia and the CBA Academy! This onboarding program introduces you to the ideas, principles, and practices that guide modern monetary policy and the CBA's Prudent Risk Management Approach (FPAS Mark II). Through short, focused videos, you'll explore how the CBA makes policy decisions under uncertainty, combining global lessons with Armenia's experience. The goal is not technical mastery, but shared understanding, sound judgment, and a common language for effective decision-making.

### Hi, I'm Douglas Laxton, but you can call me Doug.

I want to start by welcoming you to the Central Bank of Armenia and to this special learning platform we call the *CBA Academy*.

Congratulations on your appointment! Joining the Board is not just an honor—it's a responsibility. You're stepping into a role that helps shape the future of Armenia's economy, and we're here to make sure you're equipped for that task.

This onboarding journey is about more than learning the mechanics of monetary policy. It's about building a shared mindset for making decisions under uncertainty. That's what modern central banking is really about.

So, what is the CBA Academy?

It's our internal learning hub—a place to reflect, ask questions, and engage with the big ideas that guide our work. We've designed this video series to help you connect the dots between global monetary-policy thinking and the specific framework we use here in Armenia—a framework known as *FPAS Mark II*, or the *Prudent Risk Management Approach*.

The structure is simple.

We begin with history—lessons from past policy failures and successes. Then we walk through the core principles of inflation targeting: from establishing clear nominal anchors to the importance of communication and institutional design. From there, we explore the limits of our previous framework—*FPAS Mark I*—and how *FPAS Mark II* evolved in response to a more uncertain world.

We'll also walk you through our decision-making cycle, the scenarios we use, and how staff and Board roles are designed to support high-quality judgment.

These are short videos—just five to ten minutes each—but don't mistake brevity for simplicity. The goal isn't to give you a checklist; it's to build intuition: a way of thinking, a toolkit for navigating complexity.

There are no exams, no equations—just important conversations backed by practical experience and the latest institutional thinking from Armenia and beyond.

As you watch, I encourage you to think not only about the technical content, but also about how we make decisions together.

At the CBA, we take pride in being a learning organization. That means we expect questions, welcome diverse views, and value reflection just as much as action.

This series is just the beginning—it's designed to get us on the same page and to build a shared foundation. But the real learning will happen in the conversations you have with staff, with fellow Board members, and—most of all—in the decisions you help make.

So again, welcome to the CBA.

I'm Doug, and I'll see you in the next episode.

## **Literature & Further Reading**

- [Central Bank of Armenia — Official Website](#)
- [The Better Policy Project](#)
- [Prudent Risk Management Approach to Monetary Policy \(Book\)](#)
- [FPAS Mark II: Avoiding Dark Corners and Eliminating the Folly in Baselines and Local Approximations](#)