

## Measuring and Enhancing Transparency

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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 this video, we explore how FPAS Mark II strengthens transparency as a core element of credible monetary policy.

Transparency under FPAS Mark II helps anchor expectations, reduce uncertainty, and support clearer policy transmission. Transparency lowers uncertainty, anchors expectations, and strengthens policy transmission. It reduces the risk of misinterpretation and helps markets internalize the central bank's risk assessment rather than relying on speculation. Under FPAS Mark II, transparency is integrated into scenario design, communication, minutes, forecasts, and post-round assessments.

Transparency has several dimensions. Procedural transparency explains how decisions are made. Analytical transparency explains the models, scenarios, and evidence. Outcome transparency presents policy results clearly. Accountability transparency attributes reasoning and votes. These dimensions ensure that the public understands not just the decision, but the framework and reasoning behind it.

The Central Bank of Armenia uses multiple transparency tools. These include attributed minutes, individual votes and justifications, the Executive Statement, the Monetary Policy Report, scenario-based communication, press conferences, and analyst briefings. These tools help clarify the Board's reasoning under uncertainty.

Scenario-based communication enhances transparency by showing alternative paths, risks, and trade-offs. It shifts expectations away from single deterministic forecasts and toward a balanced understanding of the distribution of risks. This strengthens public trust and policy credibility.

By explaining what we know, what we do not know, and how uncertainty affects decisions, we strengthen long-term credibility. Transparency ensures the public understands the reasoning behind decisions and the risks shaping them. Transparency is not cosmetic—it is foundational. FPAS Mark II embeds transparency into its analytical processes, communication strategy, and institutional culture, ensuring that credibility is earned through openness, clarity, and disciplined reasoning.

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### Literature & Further Reading

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