CAPTAC-DR NEWS

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CAPTAC-DR

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A word from the Director

Welcome to the 64th edition of our Quarterly Newsletter!

Dear reader,

The quarter spanning August, September, and October was marked by significant movement and activity across the region. Multiple initiatives of high regional importance were carried out, several of which are highlighted in the section below. We also continued strengthening our outreach efforts, deepening dialogue and collaboration with our counterparts.

This edition features one notable article focusing on central bank communications, a relevant topic identified by our Steering Committee. Effective communication remains essential for maintaining credibility, anchoring expectations, and reinforcing the impact of monetary policy.

We hope you enjoy this issue and find it both insightful and engaging. Thank you for your continued support and for being part of the CAPTAC-DR community.

Warm regards,

Ari Aisen,
Director of **CAPTAC-DR**

Outreach Q2

Participation in the XV Latin American Annual Seminar on Public Treasury Management – FOTEGAL 2025

As part of CAPTAC-DR's commitment to support the modernization of public financial management, the Center participated at the XV Latin American Annual Seminar on Public Treasury Management (FOTEGAL 2025) in Punta Cana, Dominican Republic.

Participants of the XV Latin American Annual Seminar on Public Treasury Management (FOTEGAL 2025), Punta Cana, Dominican Republic.

During the event, PhD Ari Aisen, Director of CAPTAC-DR, moderated the panel "Strategic Applications of Artificial Intelligence in Public Management," which focused on how technology is transforming processes and decision-making within government treasuries.

PhD Ari Aisen participating in a panel session at FOTEGAL 2025.

Luis Arango presenting "Rethinking Cash Flow" at FOTEGAL 2025.

The Center was also represented by Luis Arango, Resident Advisor on Public Financial Management, who delivered the presentation "Rethinking Cash Flow," emphasizing how artificial intelligence can enhance cash-flow forecasting, optimize financial programming, and improve operational efficiency.

This participation highlights CAPTAC-DR's role in promoting innovation, digital transformation, and strengthened public treasury management across its member countries.

Participation in the High-Level Meeting on Banking Supervision in the Americas

On October 22–23, CAPTAC-DR took part in the High-Level Meeting on Banking Supervision in the Americas, held in Port of Spain, Trinidad and Tobago. The event was organized by the Association of Supervisors of Banks of the Americas (ASBA), the Basel Committee on Banking Supervision (BCBS), and the Financial Stability Institute (FSI) of the Bank for International Settlements (BIS), and was hosted by the Central Bank of Trinidad and Tobago.

Representing the Center, Raúl Real, Resident Advisor on Financial Supervision and Regulation, participated at the sessions alongside central bank leaders and supervisory authorities from across the continent. The meeting addressed priority prudential issues, challenges of cross-border coordination, and emerging trends shaping banking supervision.

CAPTAC-DR's participation reaffirmed its commitment to strengthening financial supervisory capacities in the region and enabled valuable technical exchanges with peer institutions and international organizations, contributing to the identification of key areas for future regional cooperation.

High-Level Meeting on Banking Supervision in the Americas Official Photo.

Highlights Q2

Tax Administration: Tax Incentives

CAPTAC-DR held an in-person workshop in Panama to strengthen the capacity of the region's tax administrations in managing compliance risks associated with corporate tax incentives (CTIs). Twenty participants shared the current situation in their countries and the measures they apply to mitigate these risks.

Participants of the workshop on: Administration of Tax Incentives for Corporations

The workshop covered good practices in governance, registration, risk management, monitoring, control, and closure of CTIs, as well as elements of transparency and evaluation. At the end, countries presented practical cases, identifying improvements needed to align with international standards and generating valuable regional technical exchange.

Public Financial Management: From Data to Decisions –Advancing Digital Public Financial Management

Officials from the CAPDR region joined delegations from 22 countries at the interregional workshop "From Data to Decisions: Advancing Digital Public Financial Management," held in Lima, where they exchanged experiences on how digital tools, data, and emerging technologies can strengthen fiscal operations. The workshop combined plenary sessions, short presentations, peer exercises, technical analyses, thematic discussions, and planning spaces, fostering exchange between functional and technology teams of finance ministries.

CAPDR officials joined delegations from 22 countries .

Guatemala shared its roadmap and machine learning model for cash-flow forecasting. Costa Rica highlighted advances under Hacienda Digital, the Dominican Republic demonstrated improvements to their Financial Management Information System, and Honduras and El Salvador shared experiences on investment data and digital public investment management. Panama presented the use of artificial intelligence to improve treasury operations, strengthen cybersecurity, and advance data governance.

Vladimir Sáenz, National Treasurer of Panama, presenting Panama's initiatives to apply artificial intelligence to automate treasury processes, strengthen cash management, and improve cybersecurity.

Werner De León, National Treasurer of Guatemala, presenting Guatemala's use of machine learning techniques to enhance the accuracy of cash-flow forecasts in public treasury operations.

Francini Córdoba, Deputy National Treasurer of Costa Rica, presented the country's progress in standardizing budget classifiers to enhance data coherence, strengthen fiscal analysis, and align reporting with international standards.

Organized by the IMF's Fiscal Affairs Department (FAD) in coordination with CAPTAC-DR, CARTAC, and the IMF's Information Technology Department through its Digital Advisory Unit (ITD-DAU), the event provided an opportunity to explore practical applications of artificial intelligence and machine learning in treasury, budgeting, and fiscal forecasting, generating concrete ideas to advance reforms and strengthen interregional cooperation.

Participants engage in the group exercise.

Winning teams present their AI Lab pitches.

Financial Supervision and Regulation: Fintech

CAPTAC-DR delivered a regional workshop in Guatemala City on fintech[1] regulation and supervision, bringing together 22 officials from supervisory authorities in the region for five days. The course was led by the IMF's Monetary and Capital Markets Department, with virtual participation from an expert from the Financial Stability Board.

Delegations from supervisory and regulatory authorities attending the Regional Seminar on Fintech Regulation and Supervision.

The program addressed global fintech trends, regulatory and supervisory approaches, the use of sandboxes, prudential and conduct implications of machine learning, crypto asset markets and regulation, the role of BigTech firms, and advances in digital financial services such as open banking and open finance. Participants presented national initiatives that demonstrate progress in innovation hubs, open banking frameworks, and electronic money regulation.

Participants during the technical sessions of the Fintech Regulation and Supervision seminar.

CAPTAC-DR's Director with Raúl Real and Jimena López, Financial Supervision and Regulation Expert and Assistant, at the opening of the Fintech Regulation and Supervision seminar.

[1] We invite the reader to learn more about Fintech and its broader ecosystem.

Government Finance Statistics: Public Sector Debt Statistics

In September, CAPTAC-DR held a regional in-person workshop on Advanced Public Sector Debt Statistics, aimed at twenty-seven officials from ministries of finance, central banks, and Panama's National Institute of Statistics and Census (INEC). The course strengthened understanding of institutional coverage, debt instrument classification, valuation methods, and the treatment of special operations (including pension funds, PPPs, and debt restructuring) through conceptual sessions and practical exercises.

Government representatives attending the Advanced Public Sector Debt Statistics seminar, Panama City, September 2025.

The workshop also reviewed debt data dissemination and its use in fiscal analysis, with emphasis on debt sustainability and public-sector balance assessment, and introduced the Data Quality Assessment Framework (DQAF).

Sonia Sanabria, Resident Advisor on Government Finance Statistics, during the Advanced Public Sector Debt Statistics seminar.

Participants collaborating on applied exercises during the Government Finance Statistics: Advanced Public Sector Debt Statistics seminar.

Progress of Capacity Development in Q2

A total of 36 activities were carried out during the second quarter:

Progress in Quarter 2 (Q2)

24 technical assistance missions
7 regional training activities comprising seminars, courses and workshops
3 regional web training activities
2 high-level meetings

Guatemala's delegation together with Lorena Rivero and Nino Zhvania from the IMF's Fiscal Affairs Department (FAD), Ari Aisen (Director) and Luis Arango (Resident PFM Expert) from CAPTAC-DR, and Lesley Fisher from CARTAC.

Participants during a plenary session of the Government Finance Statistics: Advanced Public Sector Debt Statistics seminar in Panama City.

Year-to-date (Q1 + Q2)

50 technical assistance missions (112 planned for FY26)
9 regional training activities (17 planned for FY26)
4 regional web training activities (9 planned for FY26)
2 high-level meetings

Milestone completion in Q2 (219 milestones planned in FY26):

15 fully met
91 largely met
72 partially met
30 not met
11 inactive

48% of milestones were fully of largely met

Participants of the interregional workshop "From Data to Decisions: Advancing Digital PFM."

By Jimena López and Andrés Navas

BREAKING NEWS

The IMF, through CAPTAC-DR and MCM, promotes capacity development in central bank communications

COMMUNICATION AND CREDIBILITY IN CENTRAL BANKING

WHEN THE MESSAGE MATTERS

THE VICE PRESIDENT OF THE BANK OF GUATEMALA AND OF THE MONETARY BOARD, ALFREDO BLANCO

"Today, communication is not an accessory act; it is an integral part of monetary policy. The credibility of a central bank does not rest solely on its models or its autonomy, but also on its ability to convey its objectives and decisions in a clear, accessible, and understandable manner to the public. Information directly influences the consumption and investment decisions of economic agents".

In a context where information circulates at high speed and perceptions can shift within minutes, communication has become a key tool for public institutions. For central banks, communication is not only about transparency and building credibility; it is also a direct instrument of monetary and exchange rate policy, as it influences the expectations of economic agents. In this sense, both the message and the way it is conveyed can be as important as the policy decisions being announced.

In this context, CAPTAC-DR has reaffirmed its support for the region`s central banks by integrating communication as a strategic component of capacity development.

During the Steering Committee meeting held in July–August 2025, together with SECMCA and SECOSEFIN, the Center presented to regional authorities and development partners the IMF`s[2] vision on the role of communications in modern central banks, as well as the recent experience of the Banco de la República of Colombia in updating its communication framework.

[2] For further information on the Fund's vision regarding the role of central bank communications, please consult the following link.

This momentum has also translated into concrete recent actions: two technical assistance missions with the central banks of Costa Rica and Honduras, and a Regional Central Bank Communications Seminar that brought together technical and communications teams.

The latter covered best practices, crisis-simulation exercises, self-assessments of communication frameworks, and the use of artificial intelligence tools (Box 1) for analyzing institutional messages.

Communication today holds a central place in the conduct of monetary policy. In this context, fundamental questions arise that help us understand the challenges and opportunities facing central banks in the region.

How does a central bank ensure that its message goes beyond the financial market and reaches the public?

Translating technical complexity into clear, accessible, and relevant information for everyday life is essential to connect with various audiciences. An effective message not only explains what is being decided, but also why, and how those decisions affect people, businesses, and the economy. To achieve this, central banks´ s technical and communications departments need to coordinate a proactive and comprehensible communication strategy using plain language to ensure coherence and reach. Communication is not just about disseminating information: it is about demonstrating consistency between decisions, their motivations, and the observable outcomes.

In times of uncertainty, words can weigh as heavily as interest rates. For this reason, transparency (as part of a strategic communication) strengthens accountability and reinforces public trust, while maintaining the necessary balance between openness and the confidentiality required for effective decision-making

BOX 1: APPLICATION OF AI TOOLS TO CENTRAL BANK COMMUNICATION

The IMF has developed a tool based on large language models to analyze central bank communications. This AI tool has been applied to documents from more than 100 central banks, using over 68,000 documents and more than 20 million sentences to generate indicators on content coverage, tone, forward-looking elements, and monetary policy positions.

Through CAPTAC-DR, four central banks in the region have been included in this analysis.

Can communication serve as a bridge?

Yes. In a central bank, communication functions as a bridge that connects technical analysis with public understanding. Coherent communication contributes to anchoring expectations, reducing uncertainty, and reinforcing the effectiveness of monetary policy. In volatile environments, words can complement traditional policy instruments and strengthen institutional credibility.

In this regard, communication:

- Strengthens public trust
- ·Safeguards the independence of the central bank
- Improves the transmission of monetary policy
- Promote transparency and accountability

Considering this, communication not only informs, it also underpins credibility, guides expectations, and supports macroeconomic stability.

What are the main challenges and opportunities for communication in modern central banks?

- **Misinformation in the face of unexpected changes:** During episodes of large external shocks, financial crises, or market volatility, the absence of clear information creates space for misinterpretation, amplifying uncertainty and the volatility of prices, exchange rates, and interest rates.

- **Overexposure and reputational risk**: Excessive, improvised, or reactive communication can weaken the authority of the central bank, especially in politically tense environments or during periods of financial stress. Overexposure can generate inconsistent expectations, create room for misinterpretation, and affect institutional credibility.

- Institutional coherence and disciplined spokespersons: Contradictory messages between authorities, technical areas, or spokespersons can erode credibility and generate confusion among markets and the public. Coherence requires clear spokesperson structures, internal alignment on strategic messages, and public statements that faithfully reflect policy decisions and frameworks.

- **Internal coordination and organizational capacity:** Communication challenges are also internal. Staffing limitations, high turnover, insufficient capacities, or disjointed processes can hinder rapid and consistent responses. Poor internal coordination can lead to delays, inconsistencies, or loss of control over the institutional message.

How can these challenges become opportunities?

To mitigate risks and strengthen effectiveness, central banks often rely on institutional communication frameworks that clearly define the channels, frequency, content, and tone of messages. These frameworks help anticipate scenarios, prepare consistent responses, and align expectations across markets and the public.

A proactive and well-planned communication strategy helps contextualize unexpected changes, reduces the likelihood of misinterpretation, and strengthens institutional resilience in the face of unforeseen events, ensuring that policy decisions are understood and produce the intended effect.

Likewise, it is essential to invest in organizational capacity, spokesperson development, and robust internal communication systems to ensure that the strategy is executed in a coordinated, efficient manner, aligned with institutional objectives.

Testimonials

Central banks have long recognized the importance of communication in achieving their objectives, particularly in supporting the implementation of monetary policy. Technological changes have pushed these institutions toward multichannel communication, where both content and format carry equal weight, timing is crucial, and it is essential to address a diverse set of audiences.

In this context, communication has become a consolidated instrument of monetary policy. Its planning and implementation therefore require coordination across multiple areas and levels within the central bank: from technical and analytical units to communications teams, all the way to board members.

Aspiring to achieve and maintain best practices in central bank communication is essential. Along these lines, organizations such as CAPTAC-DR act as facilitators of a continuous improvement process, enabling central banks to assess their monetary policy communication strategies and adjust and strengthen internal processes to ensure effective communication aligned with institutional objectives.

Luis Eduardo Díaz
Communications Coordinator
Central Bank of Costa Rica

Institutional communication has become a key pillar for central banks, linking technical work with clear messages that help the public understand the impact of economic decisions on their daily lives. In this effort, both the Regional Communications Seminar and the Technical Assistance on communications provided to the Central Bank of Honduras by CAPTAC-DR have been especially valuable, as they have opened the door to new opportunities for coordination with technical areas and to the future adoption of international best practices

These recent initiatives provide us with tools and approaches that will strengthen a more strategic, transparent, and approachable communication framework, enabling clearer and more accessible dissemination of the technical work that supports the country's economic stability. In this way, CAPTAC-DR promotes the development of stronger communication practices aligned with the current demands faced by central banks.

Cinthya González
Head, Institutional Relations Department
Central Bank of Honduras

My experience was very gratifying; the organization and technical level of the event were outstanding.

We were able to confirm the importance that communication holds today for central banking, particularly for inflation-targeting frameworks and exchange rate matters, thanks to the role of narrative and the shaping of expectations, among other factors.

I congratulate CAPTAC-DR for developing initiatives like this one, which aim to equip central banks with the appropriate tools to fulfill their objectives and contribute to the well-being of the region.

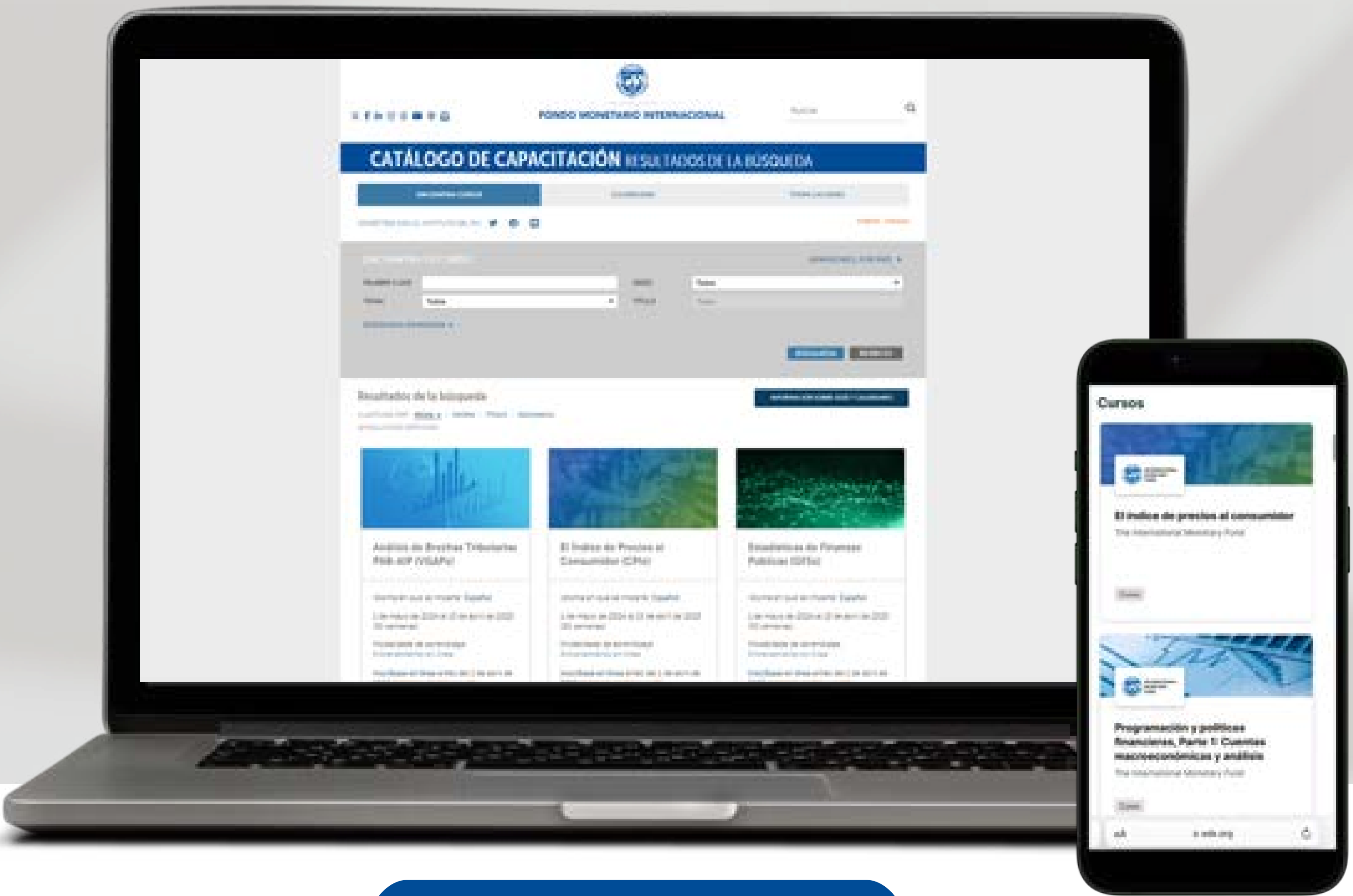
Jonathan Abreu
Director, Department of Communications
Central Bank of Dominican Republic

Communication has become one of the most effective instruments available to central banks to convey their decisions and projections, helping anchor inflation expectations and maintain the country's economic stability. However, it is essential that communication be clear, consistent, and timely so that households, businesses, and markets can better anticipate the future path of prices with greater certainty. In this sense, communication can be seen as a preventive mechanism against macroeconomic instability. Moreover, strong communication enhances a central bank's credibility and transparency, and it also serves as an important form of accountability to the public. This makes it crucial to understand what to communicate and when whether it is the publication of reports or press releases, holding press conferences, or having the institution's top authorities deliver public statements. This becomes even more critical in times of crisis, when communication plays a decisive role and the central bank must transmit reassurance to the population.

The training offered by CAPTAC-DR on central bank communication is highly valuable, and one of its main contributions is the strengthening of the technical capacities of institutions like ours. Through technical assistance and specialized training across various areas, particularly communication and monetary policy in our central banks in the region can count on better-prepared staff. Additionally, by bringing together professionals from central banks across the region, CAPTAC-DR facilitates the exchange of experiences, fosters technical networks, and helps identify solutions to shared challenges, thereby reinforcing the capacities of all participants.

Guillermo Carranza
Director, Department of Communications and Institutional Relations
Central Bank of Guatemala

Free online courses in Spanish from the **IMF**'s Institute for Capacity Development



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