



TECHNICAL ASSISTANCE REPORT

COSTA RICA MODERNIZING CENTRAL BANK COMMUNICATIONS

May 2026

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Glossary

BCCR	Central Bank of Costa Rica
DGAP	Directorate of Asset and Liability Management (DGAP Spanish acronym)
FSR	Financial Stability Report
FX	Foreign Exchange
FXI	Foreign exchange intervention
GDP	Gross Domestic Product
ICA	Institutional Communications Area
IMF	International Monetary Fund
IT	Inflation Targeting
LTX	Long Term Expert (Resident Advisor)
MCM	Monetary and Capital Markets Department
MPR	Monetary Policy Report
MPD	Monetary Policy Decision
OECD	Organization for Economic Co-operation and Development
Q&A	Questions and Answers
STX	Short-term Expert

Preface

At the request of the Banco Central de Costa Rica (BCCR), a Monetary and Capital Markets Department (MCM) mission visited San Jose, Costa Rica during August 4-13, 2025, to assist the authorities in strengthening their communications frameworks and practices. A previous virtual mission was held during March 10-12, 2025. The mission team was led by Jorge Alvarez (CAPTAC-DR LTX) and included external experts Luis Jacome and Diego Rodriguez. The mission was also supported by virtual participation and analysis from Thiago Silva from MCM.

The mission met with board members, management and staff from the BCCR, including Mr. Roger Madrigal, President; Mr. Mariano Segura, Presidential Advisor; Mr. Pablo Villalobos, Manager; Mr. Alonso Alfaro, Chief Economist; Mr. Luis Díaz, Chief of the Institutional Communications Area (ICA), Ms. Betty Sanchez, Director of the Economic Analysis Department; Mr. Henry Vargas, Director of the Data Analysis and Statistics Division; Mr. Jorge Monge, Director of the Institutional Relations Department; Mr. Carlos Melegatti, Director of the Payment Systems Division; Ms. Bernardita Redondo, Director of the Asset and Liabilities Management Division; as well as their respective staff. The mission also met with members of the press, the private sector, the financial sector, and economic analysts to assess how the BCCR's communications were being transmitted and understood by counterparts.

The mission thanks BCCR's management and their staff for their efforts in sharing information and arranging fruitful meetings with counterparts. The mission especially thanks Mr. Luis Diaz and the staff at the ICA for their efforts in information gathering and logistical arrangements during the mission.

Executive Summary

In response to a request from the BCCR, an IMF mission assessed the institutional communications framework and policy communications at the central bank. The analysis included both a qualitative review of the communication framework and monetary policy documents, as well as a quantitative analysis of monetary policy communications to evaluate changes over time and perform benchmarking exercises relative to peers. Recommendations were also derived from multiple interviews conducted with BCCR management and staff, members of the press, the private sector, the financial sector, and policy analysts to assess how the BCCR's communications were being received by counterparts.

The BCCR faces significant challenges in effectively communicating the policy objectives of their inflation targeting (IT) framework. Despite several BCCR statements indicating that an inflation target of 3 percent (± 1 percent) is the objective guiding monetary policy decisions, several counterparts expressed confusion about the narrative supporting the inflation forecast, the role of Foreign Exchange (FX) policy within the IT framework, and the process guiding FX transactions conducted by the BCCR. Communication challenges have also risen due to the recent undershooting of the inflation target, exchange rate appreciation, and the political environment.

The mission identified key areas of development for strengthening communications of the BCCR. Under IT, communications become not only a transparency mechanism, but also a policy tool guiding expectations. Current communications staff and resources are insufficient to address the multiple external and internal communications tasks required, and there is room for improving the communication of policy actions. To strengthen the central bank's credibility, boost communication capabilities, improve public understanding of the policy framework, and enhance the overall effectiveness of policy communications, the mission provided the following key recommendations:

- **Strengthening the Institutional Communications Framework:** The BCCR should organize and consolidate its institutional communications policies, which are currently dispersed across documents with varying levels of scope.
- **Elevating the Institutional Communication Area's (ICA) rank and increasing its number of staff:** The ICA only has five staff members in charge of a myriad of internal and external communication tasks. The ICA could be elevated to the rank of Department and strengthened with additional staff, including personnel with economics training.
- **Improving the communication of monetary policy decisions:** Due to the current timeline for decisions and publication, the ICA has little time to prepare communication materials. As a result, the press release issued is a near copy of a verbose formal agreement of the decision. The mission recommends modifying the decision process timeline and earlier involvement of the ICA in drafting the press release in coordination with the chief economist. This report also includes suggestions to improve the press conference.
- **Improving the Monetary Policy Report (MPR):** Recommendations are provided to make the MPR clearer and more prospective. This is aimed at addressing the lack of clarity reported by counterparts when interpreting the forecast narrative, particularly when inflation is projected to converge after

prolonged deviations from the target. The mission also suggests modifying the timeline and communication strategy for the MPR release and presentation.

- **Improving FX policy communications:** To address perceptions of a de facto nominal anchor reported by several counterparts, the mission advocated for a proactive approach to communicating its managed float FX policy regime and operational framework ex-ante, as well as improving ex-post communications of FX transactions conducted by the BCCR. It also recommended establishing a coordination protocol between the department in charge of FX operations and the ICA.

Recommendations

Table 1. Key Recommendations

Recommendations	Priority	Timeframe 1/
BCCR's Institutional Communications Framework		
Consolidate institutional policies and procedures into a well-defined strategy, guidelines, and operational documents (25-28)	Medium	Medium-term
Strengthen the institutional standing, resources, and capabilities of the ICA (29-34)	High	Medium-term
Transition towards a more proactive external communication strategy (35, 36)	High	Short-term
Strengthen the periodic evaluation framework to ensure the effectiveness of policies and communications (37,38)	Medium	Medium-term
Improve the clarity, accessibility and visual coherence of BCCR communications (39)	Medium	Medium-term
Strengthen the BCCR website as the main communication channel (40,41)	High	Medium-term
Strengthen the strategic use of social media to educate the public, build trust and anchor inflation expectations (42,43)	Medium	Medium-term
Establish a BCCR crisis communication manual aligned with international standards and conduct a crisis simulation exercise. (44,45)	Medium	Medium-term
Develop a robust economic and financial education strategy at the BCCR (46)	Medium	Medium-term
Monetary policy communications		
Modify the organizational arrangement for the policy meeting, the MPD, and the press conference to allow for more strategic monetary policy communications. (60-63)	High	Short-term
The MPD and press release should be adjusted to put up front the policy rate decision and provide more prospective information. (64,65)	Medium	Medium-term
Publish minutes of the Board of Directors' policy meetings. (66)	High	Short-term

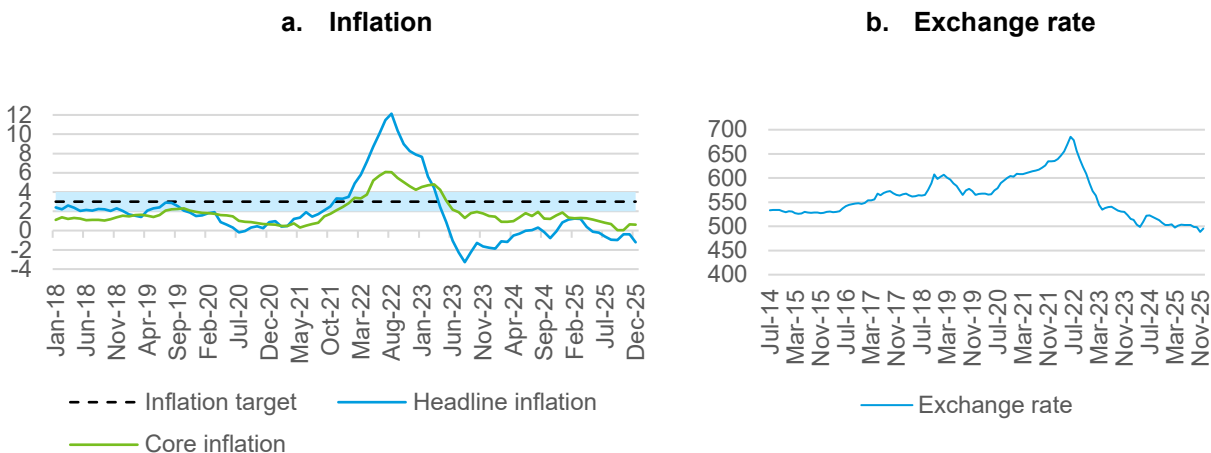
Recommendations	Priority	Timeframe 1/
The MPR should provide a clearer prospective narrative, and its publication and presentation timing should be modified to allow for strategic communications. (67-69)	Medium	Short-term
Improve monetary policy communications on the website through a dedicated section. (70)	Medium	Short-term
FX Policy Communications		
The framework guiding FX policy and FXIs must be clarified in ex-ante communications (79-81)	High	Short-term
The BCCR should adopt a proactive rather than a reactive strategy in its real-time FX policy communications. (82)	High	Short-term
The BCCR should improve its ex-post communications of FX policy actions, possibly through a more detailed FX policy report. (83)	High	Short-term
The level of information provided in communicating BCCR's FX transactions needs to be adjusted to the objective. (84)	High	Short-term

1/ Short-term: < 6 months; Medium-term: 6 to 24 months.

Introduction

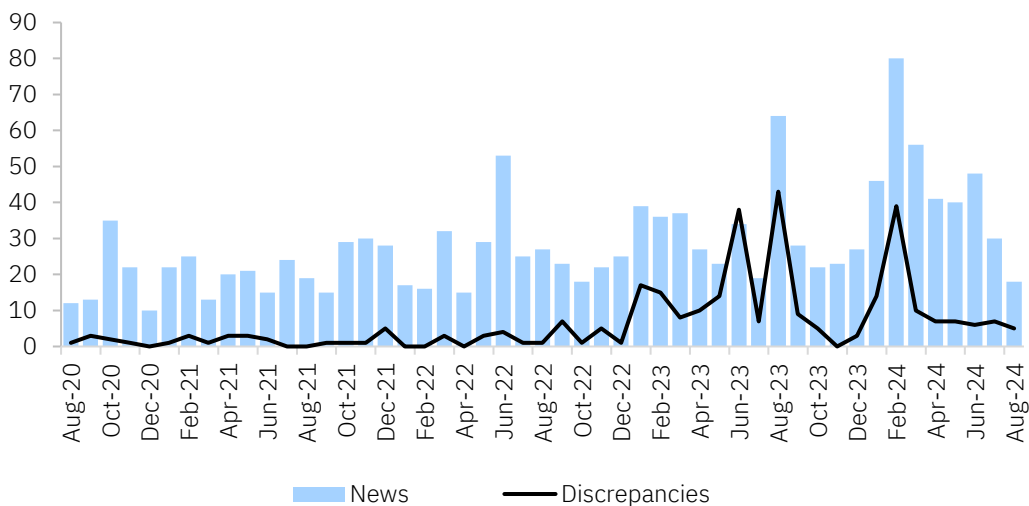
- 1. Costa Rica's transition from a monetary framework based on an exchange rate anchor to inflation targeting (IT) still poses significant communication challenges.** In 2006, the BCCR transitioned from a crawling peg to a crawling band regime. Greater exchange rate flexibility was introduced in 2015, when a managed float regime was adopted, before an official transition to IT in 2018. Under the previous regime, the exchange rate path was a more visible and easily understood signal to the public of the central bank's policy stance. By contrast, inflation targeting requires the BCCR to explain a broader set of policy tools and decisions, convey its assessment of inflationary pressures, and build public confidence in the interest rate as the main instrument for achieving the inflation target.
- 2. The exchange rate continues to serve as a prominent signal in discussions surrounding monetary policy.** During the mission, the team consulted and surveyed members of the specialized press, private sector representatives, and financial institutions. Almost all interviewees were aware of the de jure inflation targeting mandate of the Central Bank of Costa Rica (BCCR) and viewed the institution as a reputable technical authority. However, a significant majority indicated that the exchange rate is perceived as the most salient indicator by the public. About one-third of those interviewed expressed skepticism regarding the free-floating nature of the exchange rate. Nearly half of them suggested that the stability of the exchange rate is part of the central bank's de facto policy objectives. Furthermore, there was a consensus on the opacity surrounding the policy and operational framework guiding BCCR's exchange rate operations, highlighting the need for greater transparency in this area.
- 3. The BCCR has faced heightened communication challenges due to the recent undershooting of the inflation target and exchange rate appreciation.** Inflation has been below target since mid-2023 and the exchange rate has stalled after a period of significant appreciation (Figure 1). The undershooting of inflation targets has led to criticism of the central bank's policy rates and several of the counterparts interviewed speculated whether FX actions by the BCCR were motivated by a nominal exchange rate objective. The central bank has consistently emphasized that the BCCR continues to operate under a managed float regime and that the exchange rate is determined by market forces both in interviews by the Governor, Monetary Policy Reports, reports to Congress, and press statements. Counterparts interviewed acknowledged that communication has become particularly difficult due to the political context, with disagreements with the central bank featuring more prominently in news articles than in the past (Figure 2).

Figure 1. Recent Exchange Rate and Inflation Developments



Source: Mission Team calculations with BCCR data.

Figure 2. Monthly News on monetary policy and disagreements of economic agents with the central bank reported in the written press



Note: Estimated as explicit differences or questions that people outside the BCCR have with the management of monetary policy. It includes interviews with people and opinion articles. A news item may contain more than one economic agent criticizing the BCCR.

Source: *Visualización sobre cantidad mensual de noticias de política monetaria y discrepancias reportadas por agentes económicos en medios de prensa escrita*. Castro Jiménez, 2024. Based on data from Programa Estado de la Nación.

- The BCCR has identified communication as a key pillar of the 2025-2030 Strategic Plan and requested TA to strengthen its institutional and policy communications functions.** The Strategic Plan establishes the objective of building a ‘clear and credible’ central bank, with the medium-term objective of improving the societal understanding of BCCR’s functions and importance.

This report provides recommendations to help the BCCR achieve these objectives, while also leveraging communications as a policy tool within the IT framework. The report first covers principles in central bank communications. It then reviews the BCCR's institutional communications framework and practices, including recommendations on improving the organizational structure and communications staffing. The subsequent sections cover current practices and recommendations aimed at strengthening monetary and FX policy communications.

I. Central bank communication principles

5. **In recent decades, a strong consensus has emerged on the importance of transparency and communication in central banks as fundamental pillars to strengthen their legitimacy and effectiveness.** This evolution has involved ensuring public access to institutional information. It has also involved communicating in a clear, timely, and structured manner the monetary policy framework, its decisions, and the economic conditions that motivate them. In this context, explaining the risks facing the economy and how these may influence future policy decisions has become an essential practice.
6. **With the growing adoption of forward-looking monetary policy frameworks, communication is no longer merely an exercise in accountability but has become an active policy tool.** In this new paradigm, the management of expectations (particularly inflation expectations) has become one of the most important channels of monetary policy transmission. As stated by Woodford (2001), successful monetary policy is not so much a matter of effective control of overnight interest rates as of affecting the evolution of market expectations. Through consistent and forward-looking communication of the forecast narrative, central banks can influence consumption, saving, and investment decisions, thereby affecting medium- and long-term interest rates. This is particularly vital, as well as challenging, when shocks cause headline inflation to deviate from target over prolonged periods.
7. **While universal best practices for communication are difficult to define precisely, several core principles underpin effective central bank communication.** First, clarity is essential. Central banks should articulate the objectives of monetary policy in straightforward terms, explaining the role of the short-term interest rate as the operational tool for signaling the policy stance and influencing the yield curve, inflation, and economic activity. Second, communication should be candid. Central banks must ensure that their actions are consistent with their public statements. Any divergence between what is communicated and what is implemented risks undermining institutional credibility. Third, communication should be inclusive, targeting all segments of society. Messages must be tailored for different audiences and disseminated through a variety of channels to maximize reach and understanding. Fourth, communication should be systematic and timely. Information should be released on pre-announced dates whenever possible, enabling economic agents to make informed decisions based on a predictable flow of information. Fifth, equal access to information is vital. All stakeholders should receive the same information simultaneously to avoid perceptions of favoritism, which could damage the central bank's reputation and independence. Finally, consistency across central bank officials is imperative. All representatives must adhere to the institutional policy line to prevent confusion among economic agents, support the anchoring of inflation expectations, and safeguard the credibility of the central bank.¹
8. **Implementing a solid institutional framework for communications can help central banks better achieve their objectives.** International experience has shown that the key elements of such a framework include the following:
 - **A comprehensive communications strategy** that includes objectives, principles, spokespeople, key messages, audiences, channels, tools, formats, and mechanisms for assessing impact. This strategy serves as the basis for designing more effective communication strategies, tactics, and products.

¹ For further discussion of these principles, see [IMF \(2022\)](#).

- **Internal organization** of the communications function, covering structure and staffing, information flows, procedures, guidelines, and internal processes.
- **Communication products**, including a calendar of policy decisions, press releases, conferences to explain decisions, regular reports on monetary policy and financial stability, minutes of policy discussions, speeches, social media posts, and interviews.

II. The Institutional Communications Framework

A. Current practices

The Institutional Framework and Organizational Setup

9. **At the BCCR, the Institutional Communications Area (ICA) is the organizational unit responsible for communications.** Until 2015, the BCCR did not have a unit responsible for leading institutional communications. In the absence of a dedicated body, communication tasks were handled in a fragmented manner by different departments, resulting in a lack of centralization and coordination in communication efforts. As a first step toward greater formalization, the BCCR first hired a journalist from the Superintendency of Pensions in 2015, with the aim of strengthening this function. In 2018, the ICA (also known as the “Communications Office”) was informally established through memorandum GER 019-2018. This initiative brought together four staff members from different departments, representing an important step toward consolidating a specialized unit responsible for coordinating the Bank’s communication efforts. The ICA was then formally established in May 2019, initially directly reporting to the Office of the President of the BCCR and later to the General Manager.
10. **The BCCR has an institutional framework made up of three policies that guide its communications function.**
 - a. ***The High-Level Institutional Communications Policy*** recognizes communication as a strategic pillar for ensuring transparency, legitimacy, and the effectiveness of the Bank’s decisions. This document sets out the general principles of the communications function, formalizes the institution’s spokesperson structure, and designates the Specific Institutional Communications Policies document as the regulatory framework responsible for operationalizing this policy.
 - b. ***The Specific Institutional Communications Policies*** set out guidelines for managing both internal and external communication. This document covers general provisions, organizational aspects (such as the designation of the ICA as the unit responsible for communications), and guidelines related to protocols, spokespersons, interdepartmental coordination, and general communication provisions.
 - c. ***The Specific Information Management Policy*** sets rules for the flow of institutional information (both internal and external) as well as guidelines for the use and management of information technology tools.
11. **The ICA’s mandate encompasses implementing BCCR’s communications both internally and externally.** This mandate involves a myriad of functions, which include:
 - a. **Leading and coordinating the Bank’s communications activities.** This includes defining standards and processes to ensure uniformity, consistency, and transparency in

the information disclosed, as well as designing and implementing specific communications policies and their governance framework.

- b. **Managing digital channels, leading media relations, and supporting the organization of institutional events.** This role also ensures the consistent application of the Bank's visual identity, developing clear and accessible content in coordination with technical areas, and fostering relationships with strategic audiences in alignment with the BCCR's overall strategic objectives.
- c. **Managing media relations, issuing press releases, managing social media, publishing specific information on the website, and continuously monitoring the press.** All media inquiries must be routed exclusively through the ICA, ensuring centralized and consistent control of the message. The ICA also handles the administrative tasks related to contracting communication services.
- d. **Leading reputation management, protecting and projecting the Bank's image to the public and economic agents, in coordination with the Risk Management Department.** In addition, specific protocols are defined for internal and external communication, the proper use of the institutional visual identity, and the promotion of plain language.
- e. **Participating in internal and external committees, such as the Business Continuity Committee and the Crisis Management Committee.** The ICA represents the BCCR institutionally in these instances.
- f. **Providing communication advice to the Bank's authorities and divisions.** It offers support on spokesperson matters, key messages, training, and other strategic communication needs.
- g. **Conducting internal communications, keeping staff informed about institutional activities.** The BCCR has consolidated a series of services to strengthen the flow of information within the institution. More than 600 internal communication cases are handled annually (a number that continues to grow) ranging from graphic design to drafting proposals and reviewing the wording of statements. Publishing all movements and administrative processes related to staff recruitment, thereby centralizing these communications.
- h. **Providing support in organizing virtual meetings, talks, workshops, and training sessions for various audiences.** This includes managing registrations, invitations, and scheduling sessions. It also includes graphic design services, ranging from the preparation of institutional presentations to meeting requirements for websites and mobile applications to ensure visual consistency and accessibility across all internal channels.

12. To fulfill these functions, the ICA has five staff members. This staffing level is insufficient given the workload and does not correspond with international best practices. Most of the team have a background in journalism, and only one member is trained in economics, which limits the unit's ability

to accurately convey the technical details of economic policy messages. Compared to communications areas in other central banks both within and outside the region, the ICA is understaffed.² The ICA status as an Area is also low in the hierarchy, limiting its ability to strategically streamline task requests. Internationally, the communications function is often organized as a Department or Directorate, with higher institutional standing, greater operational autonomy, clearly defined strategic responsibilities, and better access to human and technical resources. Such structures facilitate more effective coordination with other areas of the Bank and strengthen the positioning of communications as a strategic function.

- 13. The communications team is currently not involved in the formulation or discussion of economic policy content.** Its participation in these products is generally limited to later stages, in some cases only providing a final review for press readiness. The generation of policy messages begins within the economic areas, based on inputs from the relevant BCCR divisions, and their final approval rests with the President. This disconnection prevents the team from anticipating relevant decisions or assessing in advance the potential public reactions these may generate. As a result, the ICA's ability to provide timely guidance on communication risks and to propose preemptive actions that could improve the reception and understanding of policy measures is restricted.

Communication Channels

- 14. To achieve its objectives, the ICA has a wide range of communication channels and formats.** These include the website, webinars (some open to the public), virtual presentations on topics related to its mandate, conferences and seminars, as well as in-person events in auditoriums with different audiences. The BCCR's website serves as the central repository for economic indicators, reports, studies, press releases, and other technical resources of reference for the public. The BCCR also maintains direct dialogue with key stakeholders through meetings and participation in specialized forums. The BCCR maintains an active presence on major social media platforms to inform, educate, and engage the public on economic and financial issues, and has recently expanded its outreach channels with the launch of its *Enfoque Central* podcast on Spotify.
- 15. Through the different channels, the ICA disseminates both press releases and regular publications.** Key publications include the monetary policy decision statement, the Monetary Policy Report (MPR), the Financial Stability Report (FSR), the Monthly Economic Activity Report, the Quarterly Report on Real GDP and Balance of Payments Developments, the BCCR Annual Report, and the Commentary on the National Economy. The Central Bank issues press releases through a specialized tool that ensures efficient and professional distribution to the media. In the digital sphere, it uses a well-recognized platform for managing and scheduling social media content, providing data and statistics useful for assessing the impact of campaigns, although it still lacks a robust framework for qualitative analysis beyond standard metrics. These efforts enable the Bank to maintain an ongoing and effective relationship with diverse audiences, disseminate key economic information, strengthen institutional transparency, and position its messages in a timely and targeted manner.
- 16. The BCCR also communicates through designated spokespersons.** These include the President, the General Manager, and other designated individuals (such as certain division or

² For staffing comparison relative to peers, see Agustín Canzani, Communication Units in Central Banks and Ministries of Finance: Elements for a Baseline, presented at the VIII Latin American Forum of Spokespersons of Ministries of Finance and Central Banks, Paraguay, 2015.

department directors). While an established structure exists for assigning communication roles to spokespersons, the institution lacks internal guidelines on how a unified position should be formulated and communicated to them. Although the BCCR President receives training in external communications and media relations, there is no operational protocol to guide this process, nor is similar training provided to all authorized spokespersons or members of the Board of Directors. This gap limits the Bank's ability to ensure message alignment and maintain clarity and consistency across its communications.

- 17. The BCCR has made progress in identifying the audiences targeted by their messages, press releases, and reports.** Target audiences include market participants (both from the real and financial sectors), the media, the academic community, government and the public. However, the Bank still lacks a robust audience study to guide its communications and based on evidence, determine the most appropriate channels, products, and language for each segment.

Communications Coordination and Monitoring

- 18. Collaboration between the ICA and other areas makes it possible to identify needs, design official products, and align messages with institutional objectives.** To this end, various coordination mechanisms are used, including the publication of reports and submission of requests through the intranet, collaborative digital platforms for file sharing, regular meetings to define the form and content of messages, institutional messaging channels to coordinate tasks in real time, and cloud-based documents that allow simultaneous access and collaborative editing. However, this collaboration lacks clear guidelines and defined deadlines for the delivery of inputs, resulting in last-minute submissions, delays, a higher risk of errors, and possible non-compliance with legal deadlines.
- 19. Although the ICA has monthly and annual activity plans based on public calendars, planning remains predominantly operational and reactive in practice.** The absence of forward-looking communication plans and the ICA's limited participation in defining policy information reduce BCCR's capacity to establish a long-term roadmap that integrates key messages, priority audiences, and strategic opportunities. Stakeholders consulted expressed that they would value a more structured promotion of messages that enhance understanding of the BCCR's policy framework.
- 20. The BCCR has a repository for managing reactive communications, complemented by a restricted file of key Questions and Answers (Q&A) containing a structured list of potential queries and their suggested responses.** This tool, managed by the ICA, helps ensure coherence and consistency in responses to the media and other stakeholders on statistical matters. However, the institution lacks a structured, publicly accessible Q&A document on monetary policy, exchange rate policy, and other core functions that consolidate key institutional messages and includes a formal mechanism for regular updates and interdepartmental coordination. The "Frequently Asked Questions" section of the institutional website presents clear opportunities for improvement, both in the selection and scope of the topics covered. Currently, its content is limited and does not adequately address the economic policies under the BCCR's mandate, which restricts its potential to guide public debate and strengthen understanding of the Bank's institutional objectives. There is also no systematic process, led by the ICA, for collecting technical inputs or channeling official responses to the media.
- 21. The BCCR still lacks formal guidelines regulating the appropriate use of corporate social media accounts, public interventions, and staff-related guidance.** Implementing such guidelines

is a widely adopted practice in many central banks and would help safeguard both staff and the integrity of the Bank's institutional communications.

22. To monitor communications, the BCCR's internal communication reports are limited to three products:

- **A monthly press report** that analyzes the BCCR's media coverage during the month but does not include robust qualitative or quantitative analysis to fully assess the coverage and actual tone of the information. This report is distributed to senior management and the heads of the various departments.
- **A daily press summary (monitoring) to the Board of Directors and all staff**, compiling the BCCR's daily media mentions without subsequent in-depth analysis to inform strategic communication decisions.
- **A monthly social media management report**, presenting metrics and basic analysis of platform performance, without the depth needed for a proactive central bank communication strategy.

These provide valuable information but are insufficient to guide strategic planning or results-based management.

23. The ICA has strengthened its capacity to monitor the impact of the BCCR's communications through the development of systematic tools. Despite these advances, there remains significant room for improvement, particularly in evaluating the effectiveness of communication actions. This continues to be a new and evolving field, benefiting from the growing availability of data and the emergence of new analytical tools which creates an opportunity to transform current inputs into strategic instruments for analysis and decision-making.

Crisis Communications

24. The BCCR has a *Communication Plan for Managing Situations of Financial Stress*. This provides financial regulators and supervisors with guidance and tools needed to ensure effective communication before, during, and after periods of stress. However, the BCCR lacks a manual that addresses specific issues related to the central bank's reputation, including exchange rate and monetary policy crisis scenarios. The institution does not conduct regular crisis simulation exercises in key areas to train the teams involved and strengthen its institutional capacity for a coordinated and timely crisis response.

B. Recommendations

Recommendation 1: Consolidate institutional policies and procedures into well-defined strategy, guidelines, and operational documents.

25. Institutional communication policies should be organized and consolidated, as they are currently dispersed across documents of varying scope. In particular, it is recommended to clearly differentiate three levels of documentation (see Figure 3):

- a. **BCCR Communication Strategy** aligned with the Bank's strategic and governance objectives (Table A2.1).

- b. **Communications Guidelines** defining the scope, principles, and institutional responsibilities in the ICA (Figure A2.1).
- c. **Operational Manual** containing concrete procedures and directives for the day-to-day execution of communication activities.

Figure 3. Structure of documents on institutional policies and procedures

Structure of Documents on Institutional Policies and Procedures			
Document	Main Purpose	Key Content	Update Frequency
Central Bank Communications Strategy	Establish the general institutional framework for Central Bank communications, aligned with its strategic and governance objectives.	<ul style="list-style-type: none"> • Guiding principles for communication • Institutional objectives • Cross-departmental approach • Stable procedures with cross-cutting application 	Infrequent (only in the event of significant structural changes).
Strategic Communications Guidelines	Define the role, responsibilities, and functions of the Communication Areas as a specialized technical unit, with autonomy for strategic management.	<ul style="list-style-type: none"> • Objectives and functions of the Area • Areas of competence • Relationship with other departments • Reporting lines and mechanisms for institutional coordination 	Periodic reviews at the discretion of the Communication Area, in coordination with oversight.
Operational Manual	Establish the procedures and operational guidelines for the daily implementation of the Communication Area's activities.	<ul style="list-style-type: none"> • Internal workflows • Media and social media management processes • Record-keeping procedures • Guidelines for communication products 	Highly flexible; may be updated regularly according to operational needs.

Source: Mission team.

26. The BCCR should strengthen its High-Level Communications Policy document. The Central Bank Communications Strategy Document (Table A21, Annex 2) should be aligned with the BCCR's strategic and governance objectives. The expanded document would:

- **Define a long-term vision and cross-cutting guidelines** to ensure institutional coherence.
- **Serve as a continuous improvement tool** for identifying gaps and opportunities.
- **Limit its scope to strategic and institutional aspects that do not require frequent updates** (e.g., guiding principles, institutional roles, and interdepartmental coordination).
- **Address operational and day-to-day management aspects in separate, more flexible, and regularly updatable documents.**
- **Reinforce transparency, credibility, and institutional coherence**, serving as a roadmap to align messages, prioritizing key audiences, and position communication as a pillar of public trust.

27. Within this differentiated documentation architecture, it is recommended to incorporate two additional levels that complement the high-level policy and grant the ICA greater strategic and operational autonomy:

- **Communications Guidelines (Figure A2.1, Annex 2)**, expanded from the existing *Specific Institutional Communication Policies* document, to clearly define the ICA's objectives, functions, responsibilities, and competencies within the BCCR's structure.

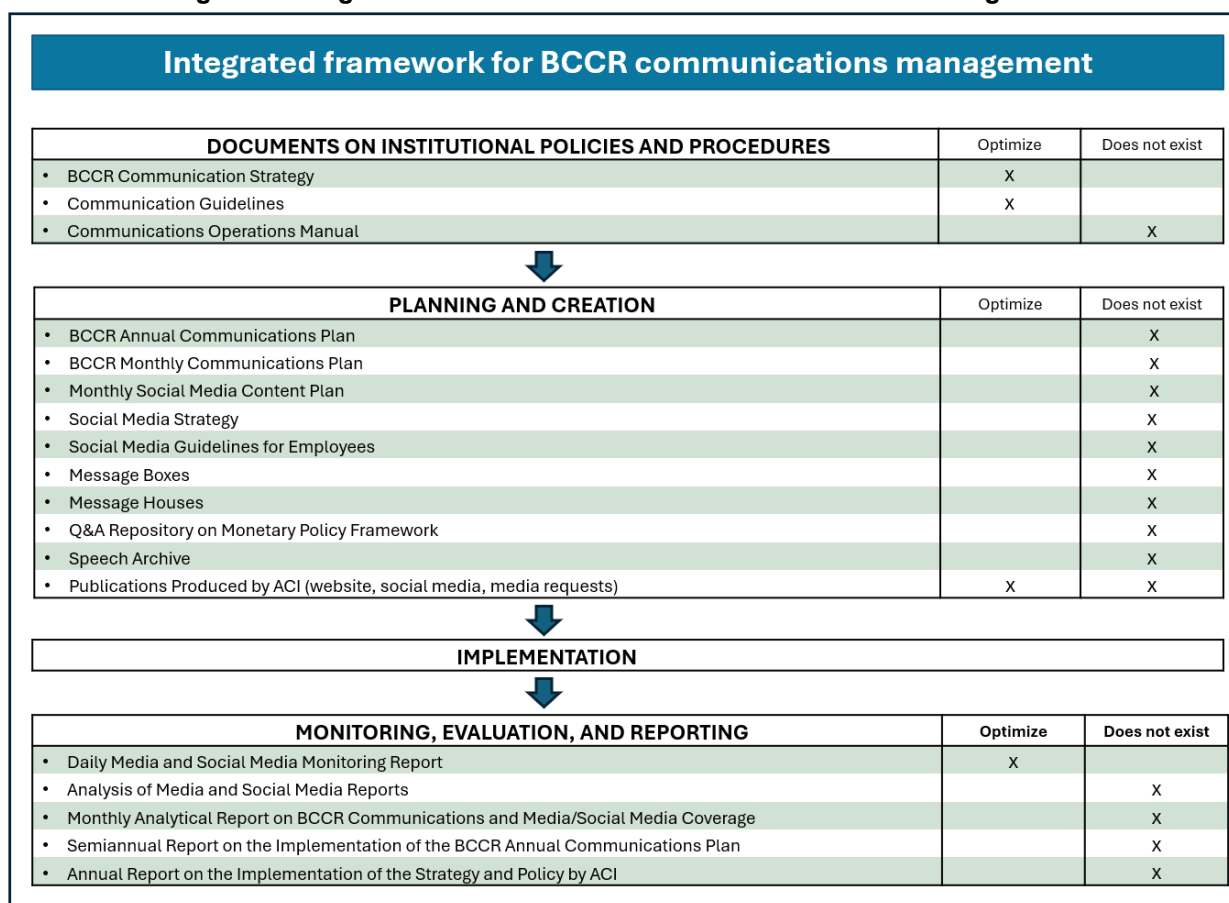
This medium- to long-term instrument would guide its functions without replacing the high-level policy, specifying its position within the organizational chart and its functional linkages with other key areas. Updates should be led by the ICA head, in coordination with Management, to respond swiftly to technological, strategic, or institutional changes (see Annex 2).

- **Communications Operational Manual (or Internal Management Guides)** for daily operations, systematizing key processes such as media and social media monitoring and analysis, recording and tracking press inquiries, and guidelines for the development, use, and archiving of visual and audiovisual materials. This document would standardize procedures, ensure operational continuity, and facilitate training and onboarding of new staff.

28. In addition, the BCCR can strengthen the integrated framework for communications management (see Figure 4) by planning and developing the plans and tools that are currently lacking. This effort should include, at a minimum, the following key instruments:

- **Annual communication plan** aligned with the strategic cycles of monetary and exchange rate policy, as well as with planned institutional campaigns (e.g., currency launches, payment systems). This plan should be reviewed at least semiannually to adapt to new conditions and priorities.
- **Monthly communication plan** that consolidates institutional events, publications, media commitments, interviews, and other visibility activities. It should be updated at least biweekly and developed through a participatory process that enables the ICA to define content needs and optimal timelines, rather than merely compiling and distributing information.
- **Monthly digital content plan** covering the website and social media, ensuring proactive, coherent, and institutionally aligned management adapted to the characteristics of each platform.
- **Q&A Repository on the Monetary Policy Framework** to address common inquiries.

Figure 4. Integrated framework for BCCR communications management



Source: Mission Team.

Recommendation 2: Strengthen the institutional standing, resources, and capabilities of the ICA

29. In the short term, the ICA should prioritize its work on essential institutional and policy communications, delegating administrative communication tasks whenever possible. This would allow technical and human resources to be concentrated on designing strategies that strengthen public understanding of the inflation-targeting framework, the functioning of the monetary policy rate, and exchange rate management. The mission recommends clearly identifying and transferring non-strategic functions (such as internal campaigns, institutional graphic design, or administrative communications) to other departments (e.g., Human Resources or operational areas).

30. The ICA should be elevated to the rank of Department, reporting directly to Management, and strengthened with staff that have adequate economic fluency and awareness of policy discussions. This change would strengthen its institutional weight, improve interdepartmental coordination, and facilitate access to human and technical resources commensurate with its strategic role in a central bank operating under an inflation-targeting regime. Suggested actions include:

- **Maintaining a direct reporting line from the communications area to both the Presidency and Management.** Consider reallocating functions so that at least one team member focuses exclusively on monetary and exchange rate policy communication in

coordination with the Economic Division or appoint an advisor in the Presidency with a permanent link to the institutional communication strategy.

- **Appointing a director with a background in Economics (preferably with a focus on Macroeconomics).** This can be achieved through the appointment of a communication professional with experience in economics or financial communications or through the appointment of an economist staff who has been exposed to the communications function. This would ensure a deep understanding of technical discussions and their effective translation for different audiences.
- **Strengthening the team's knowledge of monetary policy strategy through specialized workshops.** A clear, accessible explanatory document could also be published.

31. The ICA team should be expanded with the inclusion of economists and specialized staff.

Additional human resources would improve the technical content, diversify formats through greater use of graphic and audiovisual resources, broaden outreach to diverse audiences, and foster deeper integration of the ICA with technical teams involved with policy formulation. Being mindful of resource constraints, these additional resources could be provided through a combination of new hires or rotation of pre-existing staff. Priority could be given to adding:

- **At least one economist** with experience in communication or economic education to edit reports, press releases, and messages; simplify technical language; expand outreach; and prepare content explaining monetary policy objectives and the role of the central bank.
- **A speechwriter and presentation specialist.**
- **An additional graphic designer** focused on monetary policy content.
- **A digital communications specialist** responsible for expanding outreach and enhancing public understanding of the BCCR's economic policies, through the strategic management of digital channels (website, social media, and emerging platforms), the development of digital content, and the design and implementation of communications campaigns.
- **An audiovisual producer** with video expertise to broaden dissemination through visual and multimedia content.
- **An English-language translator** specialized in economics and finance to ensure timely and accurate versions of press releases, reports, and strategic products (either by producing them directly or by supervising the quality of work from contractors or technical staff) in line with international standards of transparency and global projection.

32. It is also recommended to enhance the team's and access to technological tools and training.

Training and tools to consider include:

- **Training in evaluation analysis, impact measurement, and big data management.** This can enable deeper, more systematic analysis of public perceptions of the BCCR and its monetary policy communications.

- **Artificial intelligence tools to detect impersonation or disinformation attempts.** This would help activate response protocols that safeguard the institution's reputation.
- **Advanced media monitoring and analysis engines to improve the efficiency of tracking media coverage of the BCCR.** These platforms not only allow for more accurate real-time tracking but also provide integrated analytical tools to assess the reach, tone, and evolution of mentions in national and international media. These tools can be acquired for in-house analysis or outsourced to specialized media monitoring agencies that provide comprehensive analyses to support strategic decision-making.
- **Graphic design software, such as Creative Cloud,³** to make publications more efficient, particularly those related to monetary policy.
- **Statistical tools⁴ with which ICA experts are familiar,** enabling them to conduct evaluations, data analysis, and surveys.
- **Professional data visualization platforms** that offer an interactive, clear, simple, and user-friendly experience for both administrators and users.⁵

33. The BCCR should also streamline and formalize the coordination processes between the ICA and other departments. The formalization of procedures can mitigate operational, technological, reputational, and human capital risks (e.g., absences due to illness). Suggested actions include:

- **Establishing clear guidelines and timelines** for handling dissemination requests from other areas, specifying the appropriate channel, product, and publication schedule.
- **Advising other departments on product design and publication planning,** adjusting the schedule in line with internal and external information flows. This process should be managed with the lead time determined by the ICA to allow for adequate planning, resource validation, and alignment with the BCCR's proactive messaging.
- **Ensuring that the ICA's management and technical team systematically participate in meetings** where key policy issues are discussed, contributing from the earliest stages to the formulation and validation of institutional messages. This would enable the ICA to act as a strategic advisor on public perception and communication effectiveness, anticipating and managing how messages are received by target audiences.

34. Strengthening the ICA should go hand in hand with consolidating an internal system that comprehensively manages external messaging. The ICA should be involved from the earliest stages in drafting key messages, working in close coordination with technical areas, and covering both reactive communications (e.g., media responses supported by the Q&A repository) and proactive communications (campaigns, positioning, and strategic content linked to policy cycles). Key actions can include:

³ Most commonly used in central banks in 2025, but subject to evolution and updates over time.

⁴ Suggested software includes R Studio, Stata, or Python.

⁵ For example, Power BI, Tableau, or Genially.

- **Establishing a mechanism for drafting, validating, and distributing institutional responses to frequently asked questions and sensitive topics.** The Q&A repository should be updated and adapted to various contexts (see Annex 4, Figure A4.1).
- **Implementing an agile workflow for handling media inquiries.** This should be coordinated by the ICA with support of functional areas and senior management (see Annex 4, Figure A4.2).
- **Defining in advance key messages** aligned with monetary and exchange rate policy objectives for proactive use in press releases, interviews, social media, reports, op-eds, and other channels (see Annex 4, Figure A4.3).
- **Maintaining internal instruments to support spokespersons and the communications team,** including:
 - **Key messages aligned with institutional objectives** to guide press releases, speeches, op-eds, and media appearances, always answering the question: What is the main idea we want to convey?
 - **Argumentation kits and supporting documents** containing technical inputs, relevant data, empirical evidence, comparative cases, and narrative frameworks, organized in structured formats (“message boxes” or “message houses”) and standardized for ease of reference (see Annex 4, Box A4.1).
 - **A continuously updated Q&A repository,** available for press conferences, interviews, presentations, or key meetings, with thematic versions for specific events (e.g., monetary policy reports or explanations of FX interventions).

Recommendation 3: Transition towards a more proactive external communication strategy

35. Strengthening the BCCR’s communication framework requires giving institutional priority to a proactive approach. This involves shifting away from merely responding to external inquiries and moving towards actively defining and disseminating key messages that contribute to anchoring inflation expectations. Recommended actions include:

- **Advancing preparation of strategic content,** establishing a regular process (e.g., monthly) to develop and update core messages aligned with policy objectives, independent of the spokespersons’ immediate agendas.
- **Establishing a formal spokesperson protocol,** including clear procedures for the preparation, alignment, and documentation of messages before any external communication. The protocol should provide periodic training for all authorized spokespersons (President, General Manager, Board of Directors, and designated directors) in public speaking and media engagement, internally validate and record messages delivered, and assign the ICA the role of coordinating and overseeing spokesperson preparation. The latter includes supplying updated materials on sensitive or strategic topics.
- **Scheduling the release of messages not only in reaction to external requests, but also at predictable moments.** These moments include monetary policy decisions as well as other relevant events (e.g., FX market actions).

36. The BCCR should also establish sustained mechanisms for interaction with the media, viewing them not only as dissemination channels but also as strategic allies in conveying complex economic messages. Recommended actions in this area include:

- **Institutionalizing technical seminars, informational breakfasts, or periodic meetings with economic journalists.** These can be used to address structural issues in monetary and exchange rate policy, as well as changes in the Bank's communication channels that affect access to information. They can also encourage journalists to become informed interlocutors and allies in disseminating strategic messages, reducing the risk of misinterpretation and reinforcing the institutional narrative.
- **Allowing both in-person and virtual participation** by journalists seeking closer interaction with the BCCR and its spokespersons.
- **Using off-the-record sessions** to help the media gain first-hand understanding of the conceptual considerations behind monetary and exchange rate policy tools, as well as other Bank functions.
- **Creating a single corporate mailbox for media communications**, managed by multiple members of the ICA, to avoid reliance on individual email accounts.
- **Responding to press inquiries as quickly as possible**, always within the legally established timeframes.
- **Creating a press section on the website** to centralize press releases, news, calendars, resources, and relevant materials, integrating easy-to-understand educational elements to support broad and transparent coverage.

Recommendation 4: Strengthen the periodic evaluation framework to ensure the effectiveness of policies and communications

37. The BCCR would greatly benefit from conducting a comprehensive, technically robust study of its target audiences. This can serve as the foundation for designing highly specific communication and outreach products supported by technical evidence (see Annex 3). This mapping would enable the application of advanced communication techniques (such as precise audience segmentation, proximity strategies, the use of behavioral insights, and systematic perception analysis) thereby optimizing the reach, relevance, and effectiveness of the Bank's institutional messages.

38. In addition, a periodic system for evaluating communications effectiveness can be established. This can combine qualitative and quantitative indicators (see Annex 6). The frequency of these evaluations should be aligned with the BCCR's planning and reporting cycles so that the results feed into analytical reports and inform adjustments to plans and strategies. Elements of this system can include:

- **Maintaining a robust database** that systematically records communication activities and the associated performance metrics for the BCCR's official channels (institutional website and social media).
- **Enhancing media and social media monitoring** through periodic surveys targeting different audiences. These can measure whether policy messages were received, understood, and considered credible. They can also assess perceptions of the BCCR, including understanding

of its mandate, monetary policy objective, and inflation target, as well as the perceived capacity to achieve them.

- **Comparing internal results with external surveys** to strengthen institutional credibility.
- **Collaboration between the ICA, the Economic Division, and the Data Analysis and Statistics Division.** This can be helpful when assessing how public confidence and policy messages influence inflation expectations. Computational linguistics tools to measure the clarity of communication products can also be considered in the analysis in collaboration with the technical teams.

Recommendation 5: Improve the clarity, accessibility and visual coherence of BCCR communications

39. The BCCR should move towards messages that are easier to understand, visually consistent, and tailored to the public’s varying levels of knowledge (see Annex 3). Such improvements can reinforce the perception of the BCCR as a technical, modern, and approachable institution, capable of communicating effectively with both experts and the public. It is recommended to:

- **Simplify policy messages to facilitate understanding by the public,** without compromising technical accuracy.
- **Develop, implement, and formalize a visual identity manual (brand book)** to ensure a coherent, professional, and recognizable presentation across all institutional communication products, including corporate email signatures.
- **Adopt modern communication techniques, such as infographics,** explainer videos, and interactive formats, to make complex content easier to convey.
- **In collaboration with technical departments, prepare a glossary of technical terms** with plain-language equivalents for systematic use in press releases, social media, and other products targeting non-specialized audiences.

Recommendation 6: Strengthen the BCCR website as the main communication channel

40. The BCCR’s website is a high-impact official channel, serving as a central repository for economic indicators, reports, studies, press releases, and other technical resources of reference for the public. However, there are gaps in several areas:

- **Clarity and accessibility:** the institutional framework, objectives, policy instruments, and progress toward their achievement should be presented in a simpler and more accessible manner.
- **Visual design and user guidance:** the homepage lacks sufficient visual and explanatory elements to guide visitors on the Bank’s strategic direction and key messages, limiting its value as a forward-looking communication tool.
- **Governance and operational management:** the site’s administration operates under an ill-defined governance model with limited flexibility, which hinders the agile and efficient management of content.
- **International accessibility:** the English version of the site shows delays in updates and content coverage (including the absence of translated press releases) which limits timely

access to key information for investors, analysts, and other external audiences, and affects the Bank's transparency and international visibility. For this reason, the BCCR is currently implementing a project to address this situation.

- 41. The BCCR website should evolve into a more accessible, educational, and strategic platform, segmented by level of technical detail according to the target audience.** A comprehensive review should be conducted to optimize its usability, structure, and informational focus, incorporating key features of effective central bank websites (see Annex 5). Regarding website governance, it is recommended to establish a high-level body responsible for defining content and setting priorities in line with strategic communication objectives, along with an operational level in charge of implementation. The ICA should retain exclusive authority to publish and validate all content related to the Bank's core economic policies, ensuring coherence, timeliness, use of plain language, and alignment with the institutional narrative.

Recommendation 7: Strengthen the strategic use of social media to educate the public, build trust and anchor inflation expectations

- 42. Strengthening the Bank's presence on social media through a structured strategy that prioritizes clear and timely explanations of monetary policy.** This approach would reinforce the anchoring of inflation expectations by improving public understanding of the inflation-targeting regime and its implications for the economy. Recommended actions in this area include:
- **Systematic production of educational content.** Establish a permanent editorial line to produce clear and accessible informational and educational content that explains the foundations, instruments, decisions, and expected effects of monetary and exchange rate policy. This material should be adapted to high-impact social media formats (infographics, short clips, explanatory threads, or extended content in existing podcasts) and tailored to the information consumption habits of different audiences. In addition to featuring BCCR authorities in strategic pieces, it is recommended to incorporate new profiles that better connect with target audiences, adopting closer, more engaging, and memorable narratives to strengthen message recall and trust in the Bank's institutional role.
 - **Strategic redirection to the website.** All social media content should include links to the BCCR's official website (particularly to sections containing key monetary policy and economic analysis information) to drive traffic toward official sources and encourage independent consultation of technical content.
 - **Proactive narrative management.** Position key messages on social media aligned with the monetary policy cycle (before, during, and after policy meetings), using clear language, compelling visuals, and full consistency with approved institutional messages.
 - **Segmentation and monitoring.** Adapt the strategy to different audience profiles (analysts, journalists, students, general public) and support it with monitoring tools to assess the reach, understanding, and impact of disseminated messages.
- 43. BCCR staff should also be provided clear guidelines on the appropriate use of personal social media and public presentations.** These should prevent posts that could negatively affect the central bank's institutional reputation. In addition, staff should be advised to include a disclaimer

in their personal accounts. This should state that the opinions expressed are solely their own and do not represent the position of the BCCR or its authorities. Similarly, this disclaimer should be included in writing and verbally stated at the start of any public presentation or interview, whether by staff members or by BCCR spokespersons and authorities.

Recommendation 8: Establish a BCCR crisis communication manual aligned with international standards and conduct a crisis simulation exercise.

- 44. The BCCR should develop a crisis communication manual based on the best international practices (see Annex 7) and tailored to Costa Rica’s specific risk environment.** This manual should go beyond basic protocols and incorporate detailed protocols according to the type of crisis (financial, reputational, exchange rate, technological, among others). Clearly defined roles and responsibilities for each hierarchical level, from spokespersons to technical support areas, should be outlined.
- 45. One crisis simulation every two years should be conducted.** The simulation would allow for testing the protocol and applying the core principles of crisis communication, training the team to react quickly and speak with one voice. The lessons learned and subsequent review would serve to refine and update the BCCR’s crisis communication manual and protocols.

Recommendation 9: Develop a robust economic and financial education strategy at the BCCR

- 46. As with many central banks operating under an inflation-targeting framework, the BCCR would benefit from an economic and financial education strategy directly linked to its core functions.** This strategy should include spaces, content, and digital tools designed for specific audiences along with an internal component aimed at BCCR staff. Key elements of the strategy would include:
- **Dedicated allocation of human, financial, and technological resources.** Ideally, this would include leadership from an economist with pedagogical experience and in-depth knowledge of the BCCR, as well as an additional economist and an education specialist.
 - **Institutional placement within either the ICA or the Economic Division** to ensure integration with technical analysis and economic policy strategy.
 - **A progressive expansion of initiatives and tools**, leveraging successful experiences from other central banks.
 - **Active participation in national and international financial education forums**, including joining the OECD/INFE network to access guidelines and best practices.

III. Monetary Policy Communication

A. Current practices

The role of communications within the monetary policy regime

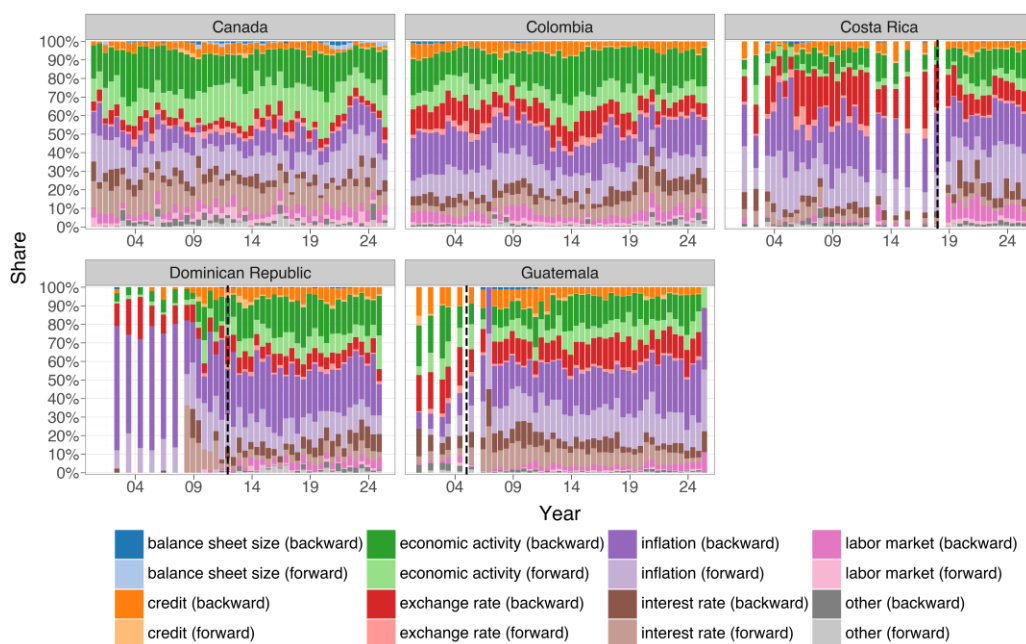
- 47. The BCCR has progressively developed communications that are consistent with their IT regime.** Annex 1 provides an overview of the core pillars of this regime—including its institutional foundations, policy framework, and operational aspects—and compares them with other countries that have implemented IT frameworks. The ICA fulfills communication functions within the logic of this IT regime.
- 48. While the transition to IT started in 2005, communication functions were notably strengthened after the *formal* adoption of the IT regime in 2018 and the establishment of the ICA.** In line with the IT framework, the BCCR has shifted its monetary policy communications to reduce emphasis on the exchange rate. A quantitative analysis⁶ of policy documents—including monetary policy reports, statements, and annual reports—demonstrates these structural changes. Figure 5 shows the evolution of Costa Rica communications relative to other IT countries in the region, a more consolidated IT Spanish-speaking country (Colombia), and a global frontier benchmark (Canada).⁷ Since the formal adoption of IT in 2018, communications have increasingly highlighted inflation and labor market developments, while forward-looking discussions of the exchange rate have been less prominent. Additionally, there has been a stronger emphasis on future-oriented analysis of labor markets and economic activity. This approach aligns with practices in other inflation-targeting countries, although there remains room to further enhance the prominence of forward-looking messages.
- 49. Despite progress in developing communication functions, the BCCR’s Strategic Plan 2025 – 2030 does not include strengthening the role of monetary policy communications within the IT framework as a strategic objective.** The Strategic Plan does establish supporting the IT regime with the view of preserving low and stable inflation as the first strategic axis. However, it does not single out communication as one of the fundamental pillars (lines of action) to fulfill this strategic axis. Communication is only included as part of a third strategic axis, which aims to strengthen BCCR’s overall institutional credibility and clarity of its messages. The role of communications in shaping expectations within the IT regime is not fully acknowledged in the Strategic Plan.

⁶ Figures 5-8 show results from a quantitative analysis using a Large Language Model (LLM) developed by MCM. For further methodological details, see [Silva et al. \(2025\)](#).

⁷ As some comparators are only relevant for same-language countries, Canada is only included in indicators where language is less relevant.

50. The BCCR also prepares and disseminates several policy documents and statistical data, as required by the central bank law.⁸ These include the Annual Report, the Monthly Report of the Economic Situation, the Monthly Assessment of the Economy, the Financial Stability Report, as well as the Monthly Report of Economic Activity and the National Accounts. In addition, several databases are posted on the BCCR’s website. While these publications do not correspond exactly to those required by the law—which was enacted in 1995, when the BCCR implemented monetary policy under financial programming criteria—the BCCR has made an effort to conform to those legal requirements while communicating along the lines of an IT regime.

Figure 5 – Quantitative analysis of topics coverage of monetary policy communications



Source: Mission Team.

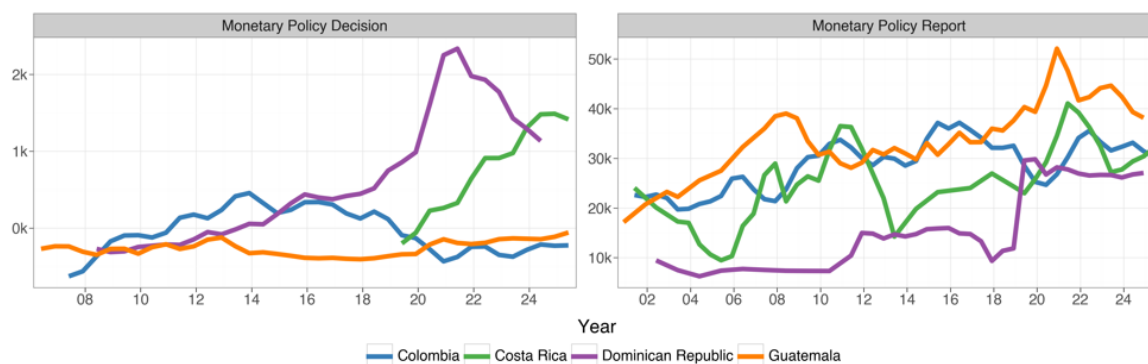
51. Within the IT regime, BCCR’s main instruments of external monetary policy communication are the press statement of the Monetary Policy Decision (MPD) and the Monetary Policy Report (MPR). The MPD statement is issued following the conclusion of each monetary policy meeting, eight times a year. The MPR is published quarterly. For both, press conferences are held and press releases are posted on the BCCR’s website, including a summary presentation of the MPR. In addition, a transcript of policy meetings is also published. We now focus on each of these instruments.

⁸ Article 14 of the Central Bank Law requires the BCCR to publish the following reports and data: a) The BCCR’s balance sheet and its financial statements on a monthly basis; b) On January of every year the monetary program and an assessment of its execution, including the changes implemented, twice a year, within the first 30 days of each semester; c) A report of FX operations within the first 8 days of each month; d) A statistical summary of the current economic situation of the country every month; e) Daily information of the exchange rate; and f) An analysis of the evolution of the economy in January and July.

The Monetary Policy Decision and Press Conference

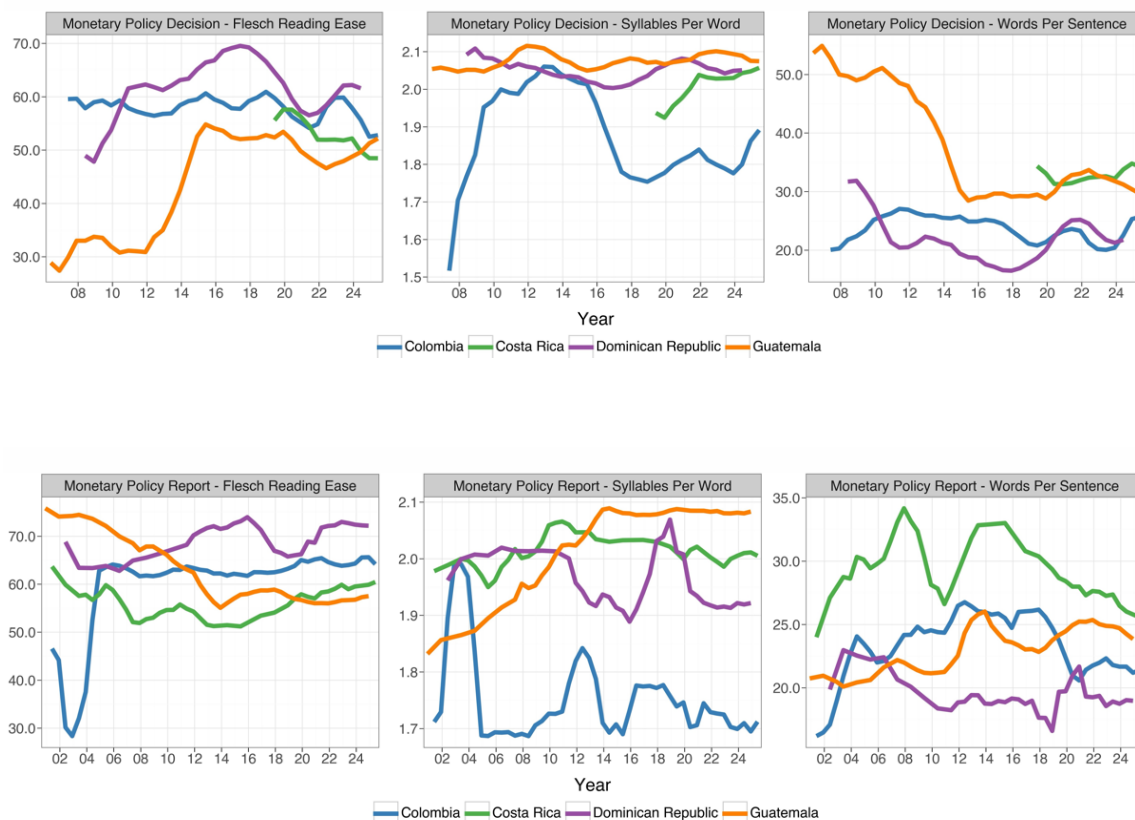
- 52. The MPD is the result of deliberations by the members of the BCCR Board of Directors during the monetary policy meeting.** This is the standard practice following monetary policy meetings across IT countries. In Costa Rica, this meeting takes place on publicly pre-announced dates, on a Thursday, and is also attended by the Economic Division's and the Statistics and Data Analysis Division's senior staff. Like in other countries, in preparation for the policy meeting, the Economic Division presents to the board the relevant economic information to feed the monetary policy decision. This includes data on the latest developments of the domestic economy as well as the world economy, especially in the U.S., explaining their impact on the Costa Rican economy. The Economic Division also presents and explains their model-based macroeconomic forecast, in particular inflation and the output gap, among other macroeconomic and financial variables, as well as a balance of risks. Based upon these economic trends, the Economic Division recommends to the Board of Directors a policy decision about the policy rate, which the Board of Directors may or may not adopt. At this moment, the ICA does not receive any of this information, including the draft policy decision.
- 53. The MPD has a slightly different structure compared to similar pieces of communication in other IT countries.** It starts by stating the BCCR's legal mandate of preserving low and stable inflation and highlighting the policy regime in place to fulfill this mandate. It then reminds the markets the fundamental pillars of the BCCR's monetary policy framework, before moving to explain the considerations about the latest trends in the international economy and the domestic economy that have an effect on the policy decision. The policy statement then describes how headline and core inflation as well as inflation expectations are evolving with respect to the BCCR's inflation targeting. This is followed by an assessment of the risks to the outlook, including the likelihood that external shocks occur, how they weigh into the policy decision adopted, and if relevant, when is inflation expected to converge to the medium target and its tolerance band. The MPD ends with the decision about the policy rate, highlighting whether the decision was taken unanimously. When compared to regional IT peers (Figures 6-7), the BCCR's MPDs have risen significantly in length and decreased in readability to become the longest and least readable among the regional IT peers in Central America. And although the MPD still offers limited insights about future economic developments, this has improved in recent years (Figure 8).

Figure 6. Length of MPD and MPR relative to peers



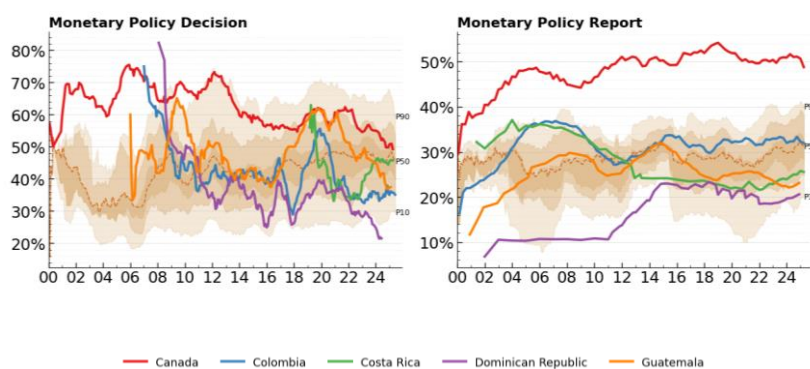
Source: Mission Team.

Figure 7. Readability of MPD and MPR relative to peers



Source: Mission Team.

Figure 8. Forward-lookingness of MPD and MPR relative to peers



Source: Mission Team.

Note: Brownish colors represent the percentiles of the distribution, which includes inflation-targeting and emerging economies.

54. The MPD statement builds on the draft prepared by the head of the Economic Division and approved by the Governor, and a press conference is held. As the meeting comes to an end, the head of the Economic Division and the BCCR Governor incorporate the key considerations argued by the members of the board to support the policy decision. Then, at 6 pm, the BCCR holds a press conference in which the Governor delivers virtually a presentation that explains the policy decision and the supporting arguments and considerations. The head of the Economic Division also participates in the press conference and, sometimes, some of its staff also address questions. Simultaneously, the Secretary's Office of the BCCR distributes the MPD to financial institutions. The press conference ends after a round of questions and answers that follow the Governor's presentation. Only in this moment, the ICA steps in to work on a press release to make the MPD reader-friendly and understandable for a wider audience. The press release is disseminated at 6 pm through different channels, including social networks.

Policy Meeting Transcripts

55. Legislation requires the BCCR to publish full transcripts of its policy meetings. Article 56 of the Public Administration General Law mandates that the record includes the list of attendees, the location and timing of the meeting, and a verbatim account of all interventions by both Board members and staff. These transcripts are not anonymized and reproduce every intervention in full. This practice differs from that of many other central banks, which typically publish concise minutes focused on the monetary policy decision and the key considerations underlying it, rather than releasing complete transcripts shortly after the decision.

The Monetary Policy Report

56. The MPR, in turn, provides an expanded and analytical account of the stance of monetary policy and the foundations underlying the BCCR policy decisions. Following an executive summary, the BCCR's report begins presenting current developments in the world economy and the domestic economy and takes stock of where inflation stands in Costa Rica. This analysis is complemented with an assessment of economic activity, the labor market, the balance of payments, the evolution of monetary and credit variables, and the state of the public finances. It then examines the BCCR's policy actions, in particular regarding the policy rate, its systemic liquidity management, and the BCCR's participation in the FX market. The MPR finishes by presenting others forecasts of the global economy as well as its forecast for the Costa Rican economy, which provides the basis for laying out a balance of risks for the outlook and the likely future direction of monetary policy.

57. When compared to peers, the BCCR's MPRs are relatively less readable and more backward-looking. Figures 6 and 7 show readability and length scores relative to other Spanish-speaking ITs. Despite marked improvements in recent years, the BCCR still has less readable MPRs, driven by relatively long sentences and complex vocabulary. In terms of content, Figure 5 shows a forward-looking score for MPRs relative to other emerging market (EM) inflation targeters. Although there has been a rise in forward-looking discussions in recent years at the BCCR, the MPR is more backward-looking than most EMs under IT, and much less forward-looking than other countries with more advanced IT regimes, such as Colombia and Canada.

58. Preparing the MPR entails an established internal calendar and a coordinated routine until its publication. The Economic Division is responsible for preparing the MPR, which is published on the 30th of January, April, July, and October. Preparation begins immediately on the first working day

after the previous report is published. The deadlines for submitting inputs for the MPR are defined in advance and involve all relevant BCCR divisions. There are also scheduled dates for discussing the report with the BCCR's Board of Directors. For example, for the July MPR, the first discussion was held on July 16th. Additional meetings with the Board took place on July 24th and July 28th, during which comments were provided and incorporated into the report. After the Board approved the MPR, the Economic Division prepared the presentation, which was delivered on July 30th.

- 59. The presentation of the MPR to the public by the Governor of the BCCR takes place on the 30th of the month.** The Governor remains available for a round of questions. The final draft is finalized only later in the evening. Yet, at this moment, the ICA has not been able to focus on preparing a press release. The ICA then disseminates key messages from the MPR through different channels and social networks. During the next two weeks, approximately, the BCCR's Governor delivers the presentation in different forums.

Monetary Policy Communications on the Website

- 60. The BCCR's website is an important channel of communication as it is visited not only by experts but also by wide segments of the general public.** Key relevant indicators are posted on the website, including the inflation target and headline inflation, the policy rate and other interest rates, as well as the exchange rate. The website also contains information about the monetary policy decisions, including the calendar of meetings, press statements, the MPR, and the other analysis referred to above, as well as the Financial Stability Report published once a year, and a rich collection of datasets. However, unlike most central banks operating under IT, the BCCR's website does not offer a didactic explanation about how it formulates and implements monetary policy. The MPR includes a summary explanation, but this publication is targeted at a small and technical group of readers. In February 2025, the BCCR did post the presentations delivered in an international seminar about IT, including one that addresses the implementation of this policy regime in Costa Rica.

B. Recommendations

Recommendation 10: Modify the organizational arrangement for the policy meeting, the MPD, and the press conference to allow for more strategic monetary policy communications.

- 61. To incorporate the communications staff earlier in the MPD drafting process, the mission proposes two alternatives.**
- a. ***Option 1:*** In the first day (T-1) the Economic Division presents the relevant macroeconomic information and the outcome of the model-based macroeconomic forecast—like in the current arrangement. In the second day (T), the Board of Directors initially meet informally to discuss and express common ground and potential disagreements, against the backdrop of information and recommendation provided by the BCCR staff. Then it meets formally to take the policy decision. Publishing the meeting's transcript should be postponed, if possible, after the next policy meeting. This arrangement aims to prevent that the publication of the policy meeting's transcripts put on the spotlight the tone of potential disagreements that could arise between Board members, which are likely to make headlines in the media, deviating the

public's attention from the focus on the policy deliberations that supported the decision on the policy rate.

- b. **Option 2:** The second alternative seeks the same objective but under a slightly different arrangement. It proposes holding the macroeconomic information session in T-2 and hold in T-1 the informal meeting of the Board of Directors in which they debate about the policy decision. The formal Board meeting to decide on the policy rate would then take place on T, the following day.

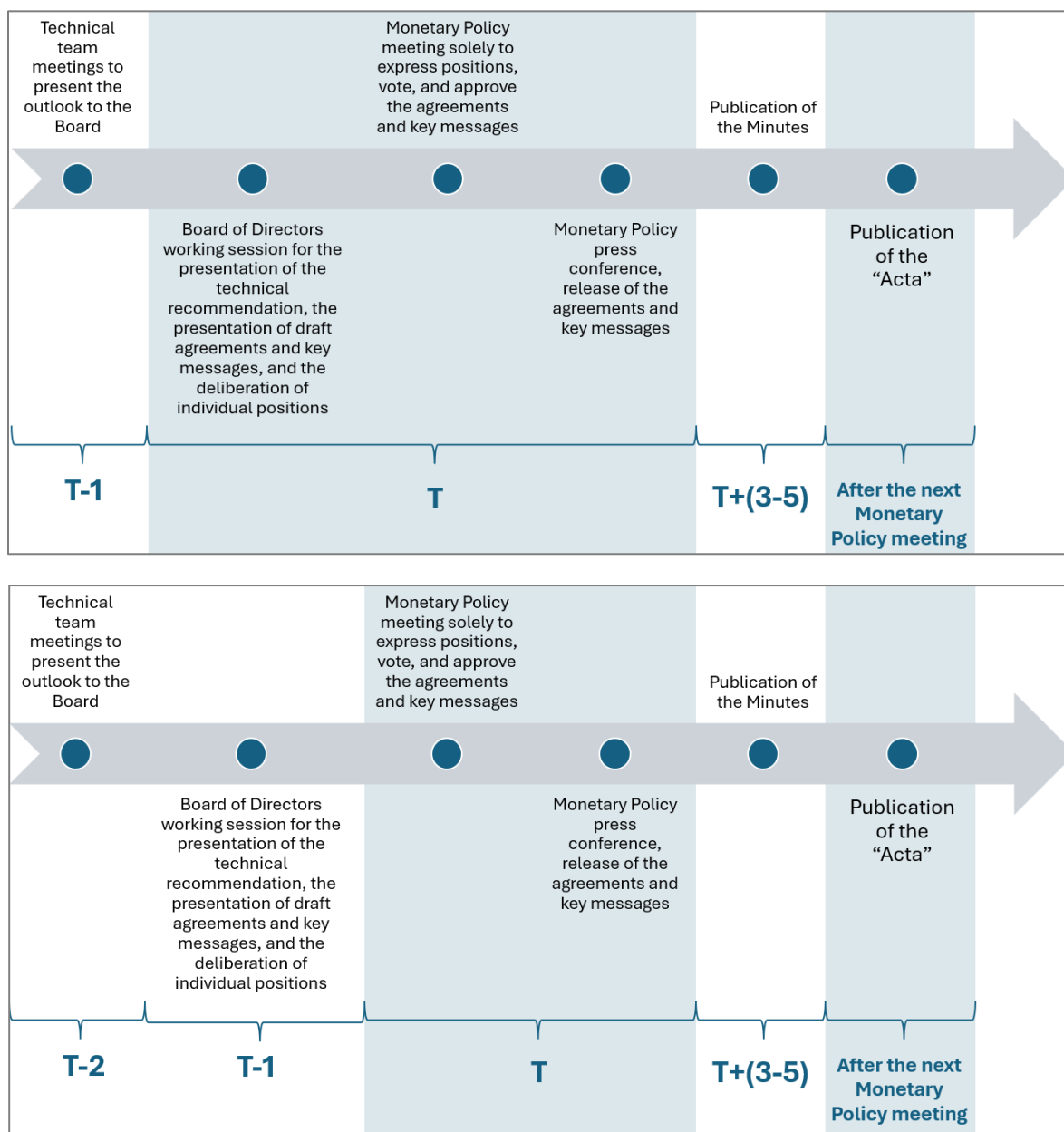
Under both alternatives, the head of the ICA would be involved at an earlier stage than today to allow him/her to have knowledge of the economic background underlying the policy decision and, therefore, start working on the key messages to be disseminated. However, the second alternative leaves more time to prepare the press conference, the press release, and the key messages to be posted on the website and social networks. The sequences of these two arrangements are presented in Figure 9. These options are presented considering strategic communications considerations. The final choice should consider the details of the analysis and deliberation process within the Board, which fall outside the scope of this TA.

- 62. The BCCR Governor should prepare in advance (in T-1) the MPD press conference.** In preparation for the press conference, the head of the Economic Division and the ICA should help the Governor identify possible questions that may arise in the Q&A section and how to address them. These answers should be consistent over time and, when relevant, should be supported with data.
- 63. The BCCR Governor should be the single voice during the press conference.** While the head of the Economic Division should be present at the press conference, he or she should not participate directly. The rationale for this recommendation is that the monetary policy decision is a Board of Directors' responsibility. Moreover, sometimes, the decision taken by the Board of Directors opposes the BCCR's staff recommendation.
- 64. The MPD press conference should be in person.** Journalists with whom the mission met raised the importance of having in-person meetings. Central bank press conferences are, by definition, a mechanism to directly address journalists and boost the impact of explanations and the understanding of the media, thereby avoiding possible policy misconceptions. Journalists argued that virtual press conferences limit the interaction with the BCCR's Governor and staff who can, otherwise, seek clarifications after the press conference is concluded. For those journalists that cannot attend the press conference, the virtual modality should remain available.

Recommendation 11: The MPD and press release should be adjusted to put up front the policy rate decision and provide more prospective information.

- 65. The decision taken on the policy rate should be highlighted in the first statement of the MPD.** The headline should also highlight how votes about the policy decision were cast. The rest of the information and analysis provided in the MPD is pretty much consistent with international practices. This structure should work as a template. As for the MPD content, the statement could include key messages on the key drivers of the forecast (e.g. key shocks and their expected evolution) as well as a discussion of the balance of risks. As suggested by the analysis presented in Figure 8, there is room to build on recent improvements to provide a more robust prospective discussion with the aim of guiding inflation expectations.

Figure 9: Two alternative institutional arrangements for the policy meeting



Source: Mission Team.

Note: Acta refers to the publication containing full transcript of the policy meetings.

66. The press release should be a shorter and simplified version of the MPD and should also be published in English. It should highlight the policy decision as a headline and key supporting messages, including a link to the MPD. The ICA should also craft additional short messages underlying the policy decision, targeted to specific audiences. To achieve this task, the ICA should have early access to the draft MPD, such that its staff can have more time to work on the messages. The press release should emphasize the prospective messages of the MPD, including those around the forecast and the balance of risks. Publishing in English is a must, considering that Costa Rica is

a major receptor of foreign direct investment and is constantly monitored as an emerging market. According to best practice, the English publication should be simultaneous to guarantee equality of access.

Recommendation 12: Publish minutes of the Board of Directors’ policy meetings.

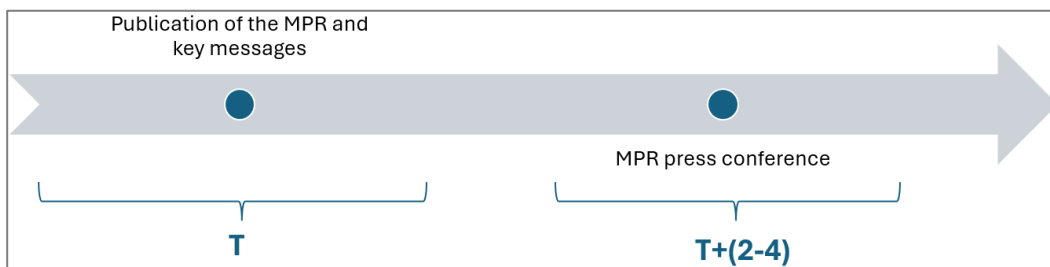
67. The minutes should be published three to five days after the policy meeting. Publishing minutes is nowadays a common practice by IT central banks. While the BCCR publishes transcripts of the policy meeting—observing the legal request for meetings of public sector’s boards of directors, it falls short of helping economic agents to gauge valuable information about the arguments underlying the policy decision, as the legal transcript often turns out to be a long document that may discourage market participants to read it. Alternatively, publishing minutes helps to communicate the policy decision and is still a good mechanism of enhancing transparency. Economic agents would thus have an expanded understanding of the reasons and deliberations behind the policy decision and would be in a better position to anticipate future monetary policy direction. In turn, publication of the transcripts could be postponed, if possible after the following policy meeting.

Recommendation 13: The MPR should provide a clearer prospective narrative, and its publication and presentation timing should be modified to allow for strategic communications.

68. The calendar of the MPR’s preparation should be adjusted to make more room for polishing and reviewing the final draft. Adjusting the calendar to make room for more preparation will also give the ICA additional time to prepare the key messages disseminated through the BCCR’s website and other platforms. These messages aim to lead the narrative about the content of the MPR and to facilitate media reporting. The calendar for the MPR should also set a date after which no new information is added. Adjusting the report in light of last-minute information increases the chances of errors by the Economic Division and ICA staff and may delay the publication of the report. The publication of the MPR should not be left to the last minute on the due date.

69. Postponing the presentation of the MPR (see Figure 10) will give more time for its preparation and would minimize the chances of committing errors. Because the MPR’s key messages would already be circulating, the BCCR could focus the presentation on providing a forecast narrative that strikes a balance between rigorous analysis and intuitive explanations, with the support of simpler charts than those in the MPR. This revised timeline should facilitate the understanding of the forecast and key messages by journalists, whose economic background is often weak and whose time to process the MPR is currently too limited. Like the MPD, the MPR should also be translated to English.

Figure 10: Timeline for the MPR publication



Source: Mission Team.

70. In the medium-term, the BCCR should consider shifting the MPR publication date to be aligned with the decision-making calendar. The current date of release corresponds to legal deadlines that predate the transition to the current monetary policy regime, which are not motivated by strategic communication considerations. Releasing the MPR shortly after the closest policy decision could facilitate the interpretation of the staff view of the state of the economy in the business cycle and the motivation behind the policy decision.

71. To strengthen the communication of the forecast narrative, the Monetary Policy Report should employ clearer and more accessible language while expanding its forward-looking content. Reducing word and sentence complexity can significantly improve readability and would address gaps found in the quantitative analysis (see Figure 6-7). At the same time, replacing part of the retrospective content with more prospective content would allow for a more fully developed prospective narrative. Concretely, more explicitly explaining the shocks underlying the forecast, the rationale for projected inflation paths, and any deviations from previous projections would help overcome the shortcomings identified by counterparts regarding their understanding of the forecast. In terms of structure, one option would be to present the forecasts in the first section after the executive summary, followed by substantially briefer analysis of the most recent developments and past data. Expanding this forward-looking content, including a systematic discussion of deviations from earlier forecasts, would enable the BCCR to communicate more transparently and intuitively the reasoning behind its policy stance.

Recommendation 14: Improve monetary policy communications on the website through a dedicated section.

72. A centralized and permanent section on monetary policy should be created. This section should integrate and complement existing content (press releases, reports, speeches) within a coherent narrative that facilitates understanding by citizens, analysts, journalists, and market participants. The section should cover:

- Institutional objectives of monetary and exchange rate policy.
- Operational framework and decision-making process.
- Instruments used and their transmission mechanisms.
- Calendar of meetings and official publications.
- Institutional communication channels and their purposes.
- Rationale for recent decisions and identified risks.

This section should also include a subsection on the exchange rate regime, presented in clear and simple terms. The content should clearly outline the logic of the monetary and FX policy framework, including the objectives of BCCR's FX transactions (see recommendations on FX policy communications below).

IV. FX Policy Communications

A. Current practices

73. In Costa Rica’s inflation targeting (IT) and managed float framework, the exchange rate is an important transmission mechanism that is sensitive to communication actions.

Communications can influence exchange rate movements and help set expectations. In certain cases, FX policy communications can reinforce (or even substitute) FX interventions (FXIs)⁹ to stabilize the market,¹⁰ making them an important area of central bank action. FX policy communications also have specific challenges relative to monetary policy communications. For instance, monetary policy outcomes (i.e. inflation rate) come with a lag, while FX policy outcomes on exchange rates can be more immediate, which can pose a real-time communication challenge for the central bank.

74. Under IT, it is important to clarify that the FX policy framework and FX actions are subordinated to the objective of maintaining inflation in check. The BCCR has made constructive changes in the way the exchange rate features in monetary policy communications. For instance, in the quantitative analysis on monetary policy communications shown in Figure 5, there has been an appropriate decline in the prominence of the exchange rate in communications, with more attention being given to inflation movements and economic activity after the official transition to inflation targeting in 2018. Nonetheless, when compared to countries, such as Colombia or Canada, that have more developed IT frameworks, Costa Rica still features exchange rate discussions more prominently.

75. Market participants and the public’s understanding of the role of the exchange rate in the inflation targeting regime is still a challenge for the BCCR. Part of this challenge is understandable given the previous crawling band regime, the existence of direct FX transactions by the BCCR, and the relatively stable exchange rate level movements before 2020 (see Figure 1). However, several analysts, members of the press, and private sector counterparts interviewed expressed a lack of clarity on the framework governing FX policy and FXIs at the BCCR. Some expressed their belief in a de facto exchange rate level target guiding policy. They cited the recent undershooting of the inflation target, the lack of exchange rate volatility, and BCCR’s participation in FX transactions as evidence. These perceptions pose a challenge to BCCR’s policy efficacy.

76. In communicating FX policy and interventions, it is useful to distinguish between ex-ante, real-time (tactical), and ex-post communications of FX policy and interventions:

- 1. Ex-ante communications** entail the communication of FX policy objectives, principles, decision-making rules, and FX market functioning.

⁹ In this document, we define FXIs broadly to define all participations of the BCCR’s in the FX market, including those where it acts to fulfill demand of the public sector.

^[10] See [Fratzscher \(2008\)](#), [Égert and Kocenda \(2014\)](#), [Chamon et al. \(2019\)](#), and [Fratzscher et al. \(2019\)](#), for analysis on the importance of communications in shaping FX and monetary policy impacts.

2. **Real-time communications** can entail the announcement of FX interventions, their rationale, triggers for intervention, and the immediate disclosure of results.
3. **Ex-post communications** entail the disclosure of FXI results, ex-post evaluation of FXI impact, analysis and data used in decision making.

77. In ex-ante communications, Costa Rica is clear about the functioning of the FX market platform. The BCCR established in 2006 the Monex, the Foreign Currency Exchange Market. This is an electronic platform to trade foreign currency by market participants, where the exchange rate is determined by supply and demand. The guides for access and operations of the FX market are clearly outlined in a dedicated website. The BCCR participates in the market to prevent violent fluctuations in the exchange rate, to meet its own needs, and to address the needs of the non-banking public sector.

78. Costa Rica is not entirely transparent ex-ante about the role of FX policy and BCCR's FX transactions within the monetary framework. Within the IT framework, the level of the exchange rate is not the nominal anchor nor an objective for the BCCR. However, this is not explicit in the organic law of the BCCR, which establishes a mandate to maintain the internal and external stability of the currency and states that the BCCR has the function of “maintaining the external value of the currency”. This is also not explicitly stated in the Strategy document as a Strategic Objectives. The rationale for BCCR's FX transactions and interventions is best described in a specific subsection of the Annual Report (AR)¹¹, which states that the BCCR can engage in FX transactions under three objectives: for self-transactions (including reserve accumulation), conducting transactions for the non-bank public sector, and moderating abnormal volatility (without changing the trend). This rationale is also referred to in a small paragraph within a specific subsection¹² of the Monetary Policy Report (MPR). Beyond these references, there is no explanation of the rationale for BCCR's FX transactions and FXIs on the website, strategy documents, nor is it a prominent message of ICA's communications. There is also no public document that states the institutional process governing decisions on FX policies and FXIs. Beyond written documents, interviewed market participants reported conflicting signals from BCCR's speakers. For instance, the BCCR governor has claimed there is no FX policy at the BCCR while another director has claimed there is. The lack of clarity in the framework governing FX policy and FXIs has caused confusion among analysts and market participants on how to interpret FX transactions by the central bank.

79. In terms of real-time FX communications, the BCCR opts to be fully reactive. As FXIs act through signaling and expectations channels¹³, these channels only work if agents are well informed. Transparency in communicating the rationale behind FXIs can help guide markets, provide clear and actionable instructions to central bank staff involved in operations, and protect the central bank from political pressures and criticism that might threaten its autonomy. However, the communications under a floating regime involve important trade-offs between transparency and confidentiality: the central banks need to be constructive about general parameters of their FX policies and outcomes ex-ante but may keep a certain degree of ambiguity about details and triggers for the FX operations. Currently, there is no real-time communication strategy to explain the rationale behind FXIs. A press statement is only issued in a reactive manner, with a delay that can span several days, if the ICA perceives there is a persistent problem of perceptions that might generate a problem. Only then is a press statement issued in coordination with the department in charge of FX operations.

¹¹ Page 91 of 2024 Annual Report.

¹² Section 3.4 in the July 2025 MPR.

¹³ As discussed in [Sarno and Taylor](#) (2001), [Canales-Kriljenko et al](#) (2003), [BIS](#) (2005), and [Adler and Tovar](#) (2011).

80. In terms of ex-post communications, this is limited to the disclosure of aggregate FX transaction amounts. Currently, the BCCR publishes daily statistics about the FX market. Its transactions are reported in three categories: self-transactions (includes reserve accumulation), stabilizing operations (to moderate volatility), and stabilization operations to fulfill needs of the non-bank public sector. Although the organic law of the central bank mandates the publication of a monthly report on FX policy¹⁴, this is currently met with the publication of statistics without a document explaining the rationale behind FX market participation by the central bank. The MPR and the AR do contain a summary of BCCR's transaction totals with the non-bank public sector and through the Monex.

B. Recommendations

Recommendation 15: The framework guiding FX policy and FXIs must be clarified in ex-ante communications

- 81. The framework guiding FX policy should be clearly established on the website, in strategy documents, and in the introduction of Annual Reports and MPRs.** Both MONEX market participants as well as the wider public should have a clear understanding of the framework guiding BCCR's FX transactions. This can help support market participants in internalizing the goals of BCCR's FX transactions, limiting possible tensions between the two policy instruments—the policy rate and FX transactions—and maintaining clarity about the nature of central banks' reaction function. It should be clear in all communications that the exchange rate is not the nominal anchor and the three rationales under which the BCCR engages in FX transactions.
- 82. Materials in response to questions on FX policy and the exchange rate should be prepared and published.** These messages should be used consistently in all communications and proactively published on the website. Additionally, consistency in messaging should be agreed among all authorized speakers of the BCCRs, including board members.
- 83. The BCCR should consider making public the institutional process and methodologies behind their decisions on FX transactions, without disclosing specific parameters.** Currently, there is no public document explaining the processes behind BCCR's FX transactions to market participants, which allows for speculation on the BCCR acting de facto with the exchange rate as an operational target of their monetary policy. This carries a credibility risk to the central bank and can difficult monetary policy transmission.

Recommendation 16: The BCCR should adopt a proactive rather than a reactive strategy in its real-time FX policy communications.

- 84. A proactive approach should be applied both in explaining FX policy ex-ante (see above) and in providing the rationale for FX actions by the BCCR.** Given the immediate impact of FX actions on the exchange rate, a proper procedure coordinating the department in charge of FX operations (Directorate of Asset and Liability Management (DGAP, by its Spanish acronym)) and the ICA in issuing a press statement in a timely manner should be established. Guidance on where to use real-

¹⁴ Article 14 states that the BCCR will publish a report on FX operations by the BCCR within the first 8 days of each month. This includes the amounts of purchases and sales by origin and destination.

time press statements vs waiting for the ex-post publications of the rationale behind interventions should be established and applied by the DGAP and the ICA.

Recommendation 17: The BCCR should improve its ex-post communications of FX policy actions, possibly through a more detailed FX policy report.

85. The BCCR could publish a monthly FX policy report in accordance with the central bank organic law. Alternatively, a shorter press statement or section in the monthly economic report could be issued. This ex-post communication should explain the rationale behind FX transactions by the BCCR. The document's level of detail must be consistent with the BCCR's objective (see below), but at a minimum it must describe the framework guiding FX transactions by the BCCR, and provide a rationale for broad changes in patterns in the BCCR's actions. Ex-post transparency, including on the instruments used, FX market indicators, the results of FX interventions (aggregate volume of interventions, instruments, amounts), rationale for FX interventions (including disclosure of analytical information and data used to come up with the FXI decision), and an analysis of impact of FXIs, can help strengthen the credibility of the policy framework and ensure accountability.

Recommendation 18: The level of information provided in communicating BCCR's FX transactions needs to be adjusted to the objective.

86. The disclosure of FX transaction details should depend on the objective. Immediate disclosure of FXIs is not always required, and improper communications can hinder equal access and induce undesirable impacts.

- **Regarding actions to moderate volatility**, the BCCR should be transparent about its operational rule ex-ante, without revealing the parameters of the rule. It could also publish details on the institutional decision-making arrangement to increase transparency. The BCCR should continue to report when it operates under this objective.
- **Regarding actions aimed at accumulating FX reserves**, communications should strive to have a minimal impact on the exchange rate. This can be achieved through a pre-announced and transparent FX purchase program that clearly sets out the conceptual framework and operational details, thereby enhancing market transparency and allowing the central bank to credibly commit to reserve accumulation aligned with the settled expectations.
- **Regarding actions on behalf of the non-bank public sector**, ex-post communications (e.g. through the FX policy report) should provide a narrative for the reasons behind transactions and their timing.

V. Conclusion

- 87. The BCCR has made important progress in communicating its policies after formally implementing IT in 2018.** It has established the ICA as a dedicated unit to implement and coordinate communication efforts. It issues an MPD following monetary policy meetings and publishes quarterly MPRs, in line with practices in other IT central banks. Despite its limited resources, the ICA disseminates this information through the BCCR's website and several social media platforms.
- 88. Yet the mission considered that there is still room to improve the BCCR's monetary policy communications.** The mission provided recommendations to strengthen the MPD and the MPR drafting and dissemination. Chief among them are: (i) modifying the timeline around the policy meeting and publication of the MPD and MPR to allow for more strategic communications; (ii) adjusting the MPD and MPR content to clarify and expand forward-looking messages; and (iii) publishing minutes of the policy meeting, as a mechanism for offering market participants further insights about the monetary policy decision.
- 89. To support this task, improving the design and functionality of the BCCR's website is important.** The BCCR's website is a major channel of communication that allows the BCCR to reach an enhanced and diverse audience. The website should prominently include a monetary policy section that explains how the BCCR implements monetary policy, what the role of the monetary policy rate is, how policy changes affect inflation and economic activity, and how policy impacts firms' and consumers' decisions. The BCCR's website should also make extensive use of simple charts and infographics.
- 90. Regarding exchange rate policy, the BCCR has the critical task of educating economic agents about the role the exchange rate plays in the IT framework.** The exchange rate performance is a prominent and recurring theme when discussing monetary policy in Costa Rica. Stakeholders interviewed by the mission demanded more information about BCCR's transactions in the FX market, and some of them even considered the exchange rate to be the de facto nominal anchor of the monetary framework. To address these concerns, the BCCR should enhance ex-ante, real-time, and ex-post communications of its FX transactions.
- 91. None of these recommendations will work effectively without strengthening the BCCR's institutional framework underpinning communications.** The BCCR's institutional communications framework is built on solid foundations but requires further strengthening to fully align with the core standards of central banks operating under IT. The communications team is highly capable, efficient, and produces innovative products. However, the ICA lacks the institutional weight, strategic integration, and resources that are commensurate with the critical role it plays in an inflation targeting framework.
- 92. Therefore, the BCCR should strengthen the communication function and the ICA's leadership.** The BCCR needs to elevate the ICA's status to consolidate it as a strategic pillar within the IT framework, in line with best practices from other central banks. It should also strengthen its

institutional weight by fully integrating it into the formulation of policy messages. This will enhance interdepartmental coordination, ensure early participation in technical discussions, and help ensure unified, clear, and accessible messages. Importantly, the BCCR needs to increase ICA's staffing by incorporating diverse profiles, including communicators, economists, data analysts, designers, social media specialists, and videographers. It must also strengthen the ICA's technological and analytical capabilities.

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Annex 1. Inflation targeting in Costa Rica and Latin America

In contrast to the other IT central banks in Latin America that pursues price stability, the BCCR's has a triple mandate: to maintain internal and external currency stability and secure the external convertibility of the domestic currency (see Table A1.1). Other central banks are also often required to pursue additional objectives—such as preserving financial stability or ensuring the functioning of the payments system. When formulating monetary policy, the BCCR enjoys goal (target) and instruments independence, unlike some other countries in the region and most advanced economies, which only have instruments independence.¹⁵ Decisions regarding the key monetary policy instrument in Costa Rica rest on the board of the central bank, like in the rest of Latin America, except in Uruguay where a monetary policy committee (MPC) exists.¹⁶ Additionally, policy meetings are announced in Costa Rica in advance for the following calendar year, aiming to establish regularity in interest rate decisions and enhance information for economic agents. These meetings occur eight times a year, like in most countries in the region.

Table A1.1: Mandate and decision-making in inflation targeting countries in Latin America

Countries	Primary mandate	Type of independence	Policy decision body	Meetings per year
Brazil	Ensure price stability	I	CB Board	Every 6 weeks
Chile	Price stability and functioning of payments systems	G + I	CB Board	8
Colombia	Price stability	I	CB Board	8
Mexico	Price stability	G + I		8
Peru	Preserve monetary stability	G + I	CB Board	12
Guatemala	Price stability and financial stability	I	CB Board	8
Dominican Republic	Price stability, regulate the financial system, and preserve the functioning of payments system	I	CB Board	12
Paraguay	Stability of the currency and efficacy and stability of the financial system	G + I	CB Board	12

¹⁵ In several Latin American countries, the Minister of Finance is a member of the central board, with voting powers, or presides another decision-making entity, like the CMN in Brazil, that sets the inflation target.

¹⁶ While an MPC exists in Brazil (the so-called COPOM), its membership is the same as the central bank board. The singularity of the COPOM is that it meets regularly with the exclusive purpose of taking decisions on the policy rate, like in countries where the MPC exists.

Uruguay	Price stability and regulation and supervision of payments and the financial system	I	CB Board/ (MPC)	8
Costa Rica	Preserve the internal and external stability of the currency and secure its convertibility	G + I	CB Board	8

Sources: Central banks' website and legislation and IMF Annual Report on Exchange Arrangements and Exchange Restrictions (2023).

Note: G stands for goal (target) independence and I for instrument independence (see Debelle and Fischer, 1994).

Costa Rica, like all countries in the region use headline inflation as their target measure (see Table A1.2). The BCCR implements monetary policy following a largely rule-based approach based on a framework in which a short-term interest rate is used as the operational target. The inflation target is 3 percent with a tolerance band of +/- 1%. Adjusting the policy rate influences the rate in the market of bank reserves as well as interest rates at longer maturities and, in general, signals the stance of monetary policy, putting in motion its transmission mechanism like the expectations and interest rate channels. To drive the interbank rate close to the policy rate, the BCCR manages short-term liquidity through open market operations in order to keep supply and demand of bank reserves in equilibrium. The speed at which the BCCR aims to return inflation back to the target—a two-year target horizon—is disclosed. The target horizon varies across countries in Latin America, based on the effectiveness of the monetary policy transmission mechanism and the lag with which monetary policy impacts the economy. The disclosure of this parameter helps economic agents understand the central bank's reaction function, especially during crises or when external shocks hit and divert inflation from the target.¹⁷

Table A1.2: Inflation targeting policy framework in Latin America

Countries	Target measure	Policy rate	Inflation target	Target horizon
Brazil	CPI	Overnight rate	3% +/- 1.5%	Depending on the shock
Chile	CPI	Overnight rate	3% +/- 1%	Two years
Colombia	CPI	Overnight rate	3% +/- 1%	Not disclosed
Mexico	CPI	Overnight rate	3% +/- 1%	Not disclosed
Peru	CPI	Overnight rate	1% - 3%	Continued basis
Dominican Republic	CPI	Overnight rate	4% +/- 1%	Two years
Guatemala	CPI	Overnight rate	4% +/- 1%	Medium term

¹⁷ While in some countries in Latin America this horizon is defined broadly, in other it is explicitly specified, for example two years in Chile, Dominican Republic, and Uruguay.

Paraguay	CPI	Overnight rate	3.5% +/- 2%	Not disclosed
Uruguay	CPI	Overnight rate	3% - 6%	Two years
Costa Rica	CPI	Overnight rate	3% +/- 1%	Two years

Sources: IMF Annual Report on Exchange Arrangements and Exchange Restrictions 2023 and central bank websites.

The BCCR reports to Congress twice a year and disseminates promptly the MPD and the MPR and on a regular basis. In recent years, the BCCR has started publishing transcripts from policy meetings, as required by the law for all public sector boards. Several other central banks in Latin America disclose minutes, focused on the monetary policy decision, which aims to provide insights into the considerations and deliberations behind policy decisions (Table A1.3). Some central banks also disclose varying levels of information regarding how votes on policy decisions were cast. Like the majority of IT central banks in the region, the BCCR issues quarterly an inflation report, which summarizes policy actions, their potential future impacts on achieving the inflation target, and the likely economic outlook, while also presenting a balance of risks to the forecasted outcomes. In addition, the BCCR regularly discloses forecasted inflation and market inflation and exchange rate expectations.

Table A1.3: Central banks' accountability and transparency in Latin America

Countries	Reporting to Congress/Executive	Publication of minutes	Publication of votes	Inflation report
Brazil	Open letter to executive in case of missing the target	Yes	Yes. Names of members in favor of the decision	Quarterly
Chile	Parliamentary hearing	Yes	Yes, by names	Quarterly
Colombia	Parliamentary hearing	Yes	Number of favorable votes	Quarterly
Mexico	Send reports to Congress	Yes	Yes, by names	Quarterly
Peru	Send report to the executive	No	No	Quarterly
Dominican Republic	No	No	No	Bi-annual
Guatemala	Parliamentary hearing	No	Number of favorable votes	Three times a year
Paraguay	Send reports to Congress	Yes	No	Quarterly
Uruguay	Send reports to Congress. Hearing at request	Yes	Votes by consensus	Quarterly
Costa Rica	Parliamentary hearing	Yes	Votes by consensus	Quarterly

Sources: IMF Annual Report on Exchange Arrangements and Exchange Restrictions 2023 and central bank websites.

Annex 2. Recommended Elements for Developing a Strategic Communications Framework in a Central Bank

The following tables present a consolidated reference of key components that central banks should consider when designing and implementing a comprehensive strategic communications framework.

The Table A2.1 outlines the main sections and topics typically included in a formal communications strategy document, covering the central bank’s mandate, communication objectives and principles, the role of communications in monetary and FX policy, and engagement with key audiences. It also incorporates operational aspects such as communication processes, planning, and monitoring.

Table A2.1 Recommended elements for a BCCR communications strategy document

Section	Main topics	
Introduction	Mandate of the central bank Communication strategy objectives Principles of communication	
Monetary policy	Role of communications Inflation mandate Decision-Making Process	Who decides and when Forecasting and policy assessment
Monetary policy communications	Spokespersons Document preparation Communication practices Decision and announcement calendar	Press releases & conferences Quarterly reports Ongoing communication
FX Communications	FX mandate and committee Objectives Intervention policies and tools	Spokespersons Strengthening FX policy communication
Key audiences and engagement	Bank Staff Media General public Financial sector	Business sector Government and municipalities Academia and students
Communication effectiveness	Monitoring and evaluation	

Source: Mission Team.

The Figure A2.1 provides a checklist of recommended tools and processes to support the practical implementation of this strategy. These elements range from protocols for media interaction and message formulation to technical specifications for publications, social media content, and crisis communication procedures. Together, they offer a structured basis for aligning communication activities with the institution’s strategic objectives, enhancing policy effectiveness, and strengthening public trust.

Figure A2.1. Recommended elements for Communications Guidelines

COMMUNICATIONS GUIDELINES
INSTITUTIONAL FOUNDATIONS AND COORDINATION
General Framework
Guiding principles for communication
Segmentation of strategic audiences
Matrix of institutional media, formats, and channels
Roles and responsibilities of institutional spokespeople
Interdepartmental information flows to the communications function, including timelines and deadlines
Management of classified and sensitive information
OPERATIONAL AND PLANNING TOOLS
Development, validation, and dissemination of key messages
Protocol for the maintenance and regular updating of the Questions and Answers (Q&A) repository
Operational planning of communications activities (monthly, quarterly, and annual)
Communications indicators
Methodologies for assessing communications impact
Guidance for staff: media engagement, processing of requests, and database management
CHANNELS, MEDIA, AND FORMATS
Social media recommendations: guidelines on content, tone, and staff participation
Guidelines on the external use of inputs produced by other functional units
Technical guidelines for the development of visual materials
Management and planning of press conferences and engagements with non-media stakeholders
Procedures for institutional publications (press releases and other publications)
Website design, navigation, and content
ENGAGEMENT, PUBLIC DISCOURSE, AND CRISIS COMMUNICATIONS
Criteria for institutional participation in third-party events and internal coordination
Procedures for official interviews
Procedures for drafting and validating institutional speeches
Guidelines for staff academic and technical publications
Crisis communications protocols
Final provisions and periodic review of the policy

Source: Mission Team.

Annex 3. Developing Effective Communications In Central Banks

To respond effectively to the demands of today's information environment, central banks must continue strengthening their institutional communication capabilities. A modern communications division must be able to interact with a wide range of audiences (from specialized stakeholders to non-technical citizens) using a variety of formats and channels tailored to each segment.¹⁸

- **Relationship between communication and the decision-making process**

A modern communications unit should be closely integrated into the central bank's decision-making process. This means the communications team must not only master channels and formats, but also have a deep understanding of policies, their rationale, and potential trajectories. Aligning communications with operations enables the delivery of consistent, solid, and timely messages.

- **Simplicity without losing technical rigor**

Excessive use of jargon, acronyms, and specialized language can create barriers to understanding, even for expert audiences. In this regard, simplifying language (without altering content) is essential to broaden the reach of messages, strengthen public debate, and improve engagement with non-technical audiences.

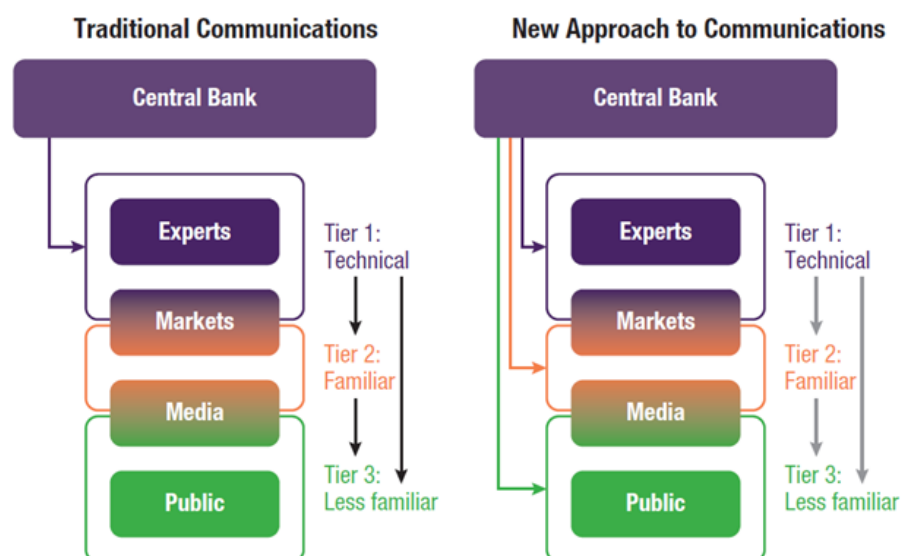
- **Reaching new audiences**

In recent years, central banks have begun redesigning their outreach strategies to connect more directly and effectively with different audiences. This trend reflects a shift toward more horizontal communication models, where direct contact is prioritized, and channels are diversified (see Figure A3.1). Key tools include enhancing the institutional website, making strategic use of social media, and developing informational products in plain language for the public.

These efforts are complemented by educational initiatives in schools, museums, and communities, as well as outreach to social organizations and workplaces. In this context, several central banks have introduced new publications designed specifically for non-specialized audiences, aiming to improve public understanding of their functions and decisions.

¹⁸ Social media, blogs, videos, and podcasts, in addition press conferences, interviews, and speeches.

Figure A3.1. Reaching New Audiences



Source: "Frontiers of Economic Policy Communications," IMF Communications Department Paper No. 19/08, 2019

- **Message segmentation and personalization**

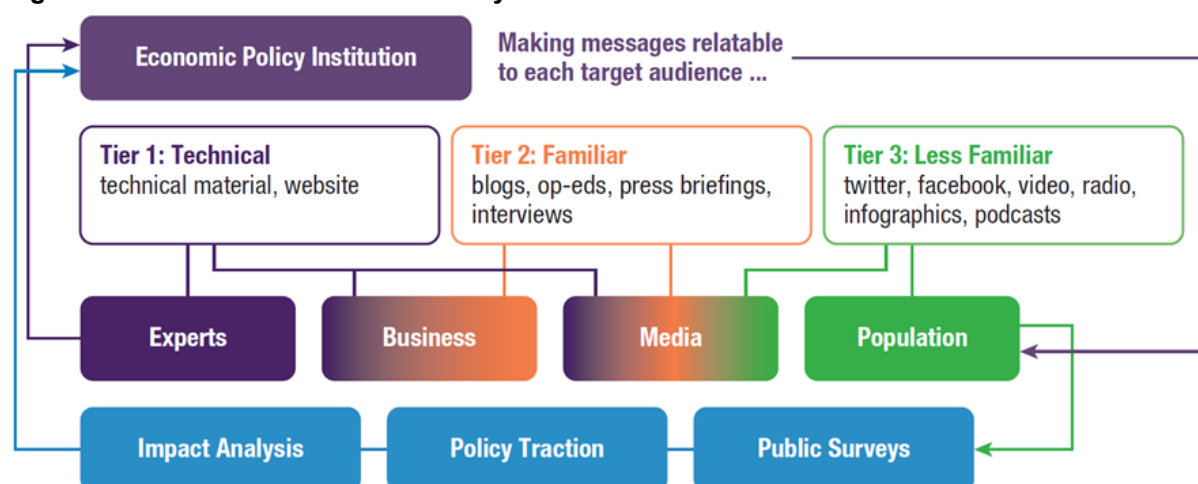
Message design should take into account the characteristics, interests, and knowledge levels of each audience, ensuring that messages are perceived as relevant and meaningful in their specific context. For example:

- The average citizen wants assurance that their money is safe and will not lose purchasing power.
- Financial markets need to understand the reasoning behind monetary or exchange rate policy decisions.

- **Tiered and multichannel messaging**

International best practices recommend structuring messages at varying levels of technical depth (tiering by content) and delivering them through multiple formats and platforms (tiering by channel), such as print media, television, radio, video, digital platforms, and social media (see Figure A3.2). This approach allows users to choose the format and level they find most accessible.

Figure A3.2. Communications Tiered by Content and Channels



Source: "Frontiers of Economic Policy Communications," IMF Communications Department Paper No. 19/08, 2019

- **Assessing communication impact**

Analytical capacity is needed to evaluate the effectiveness of policy messages. This involves determining whether messages reached the intended audiences, whether they were perceived as credible, and whether they influenced expectations. Both quantitative and qualitative tools (such as perception surveys, media analysis, and digital metrics) should be integrated into the communications department's internal processes.

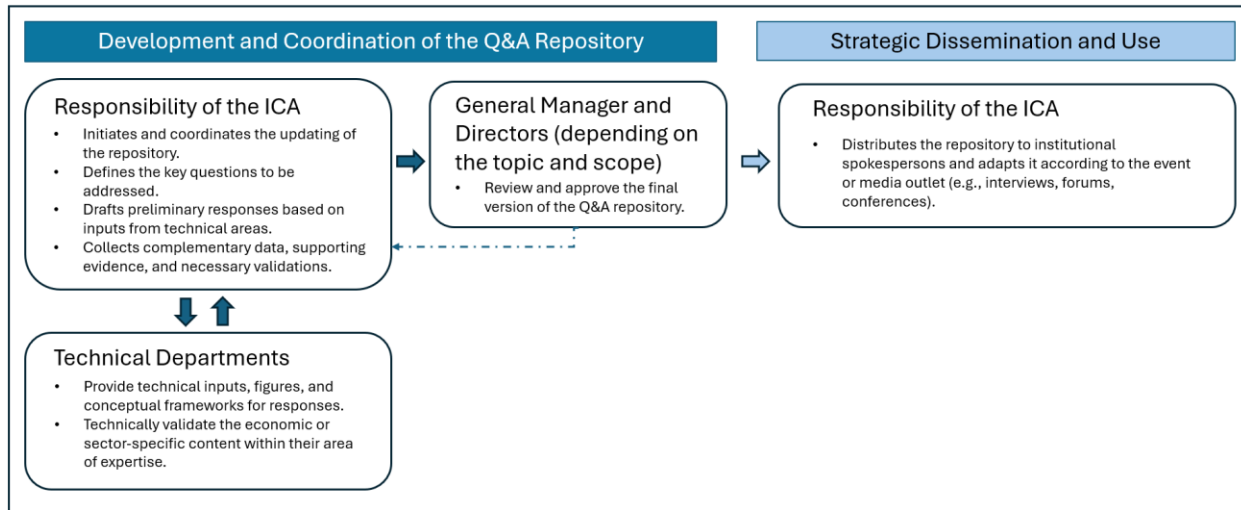
- **International exchange of experiences**

Participation in international networks, professional associations of communicators, and specialized workshops and conferences is essential to strengthen communications teams' capabilities. Sharing and learning from innovative experiences of other central banks and international organizations allows the adoption of new techniques, technologies, and methodologies for more effective communication.

Annex 4. Key Tools and Processes for Comprehensive Message Management

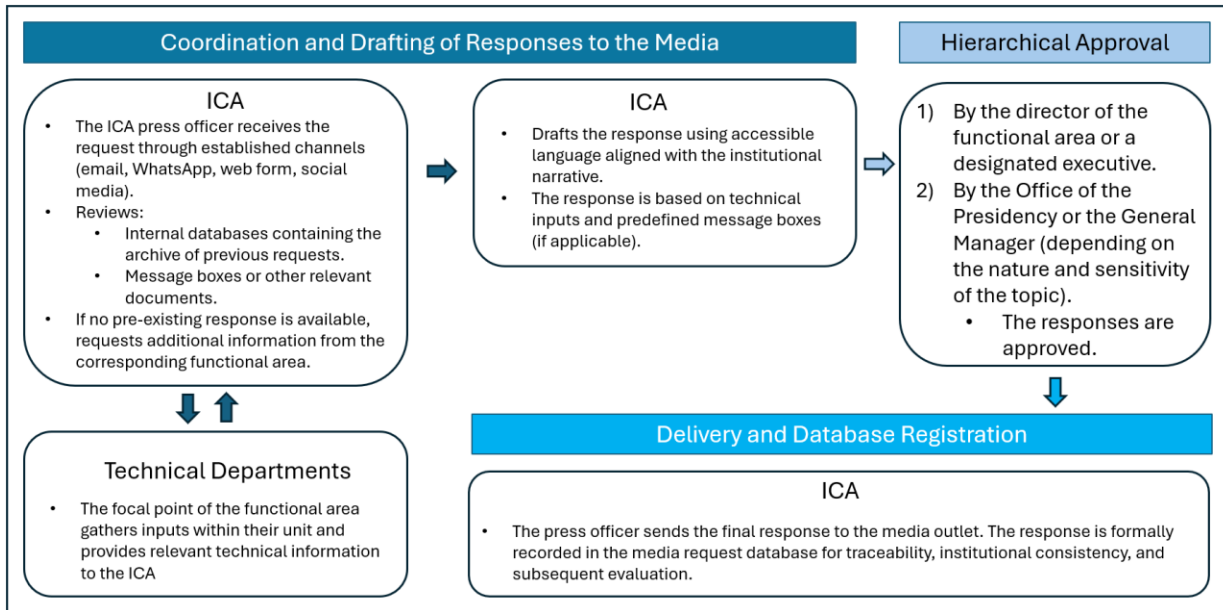
The following figures and box present recommended internal processes and tools to strengthen the BCCR's capacity to manage both reactive and proactive communications in a structured, consistent, and effective manner.

Figure A4.1. Recommended process for managing the BCCR's Questions and Answers (Q&A) repository



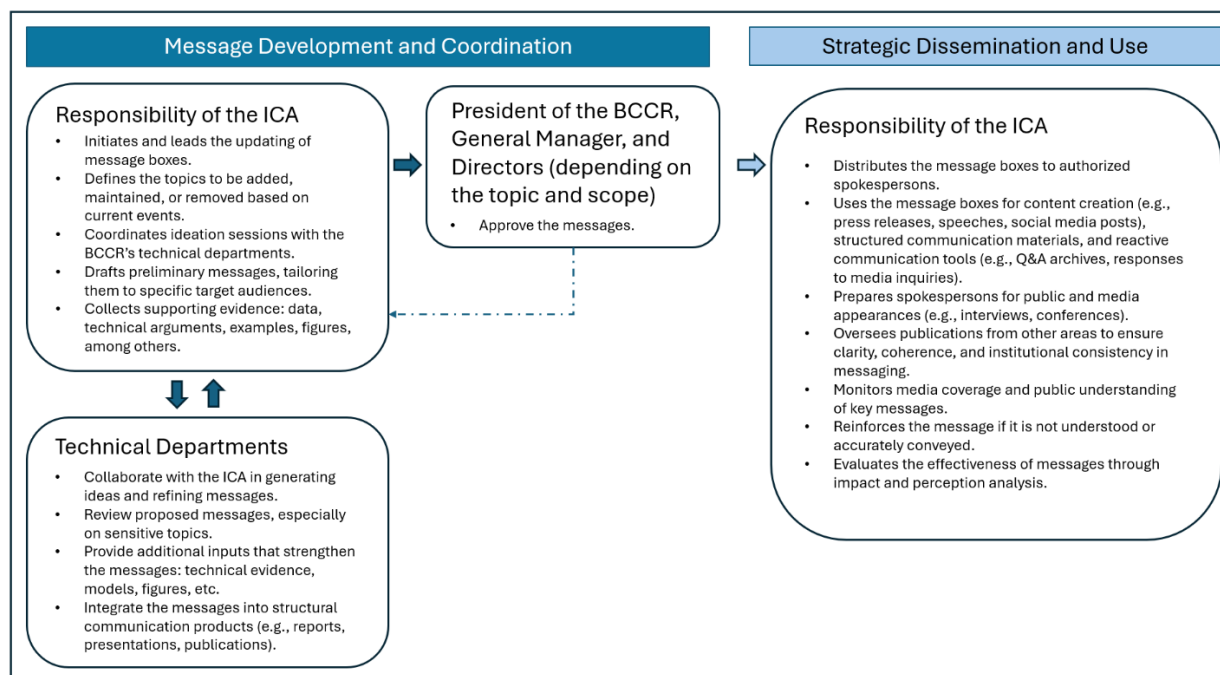
Source: Mission Team.

Figure A4.2. Recommended internal process to support reactive communication in response to media requests



Source: Mission Team.

Figure A4.3. Strategic formulation, validation, and use of proactive messages at the BCCR



Box A4.1 Message Boxes and Message Houses

To structure institutional messages clearly and coherently, there are techniques widely used in international practice that can be incorporated into the internal materials supporting the BCCR's external communications. Among these, two particularly effective tools stand out: message boxes and message houses.

Message boxes are especially useful for communicating changes, presenting solutions, or managing sensitive situations. This technique allows the construction of a clear narrative that connects the diagnosis of a problem with the institutional response (solution) and its expected positive outcomes.

Its classic structure is organized around four elements:

1. The main topic (e.g., the BCCR increased the monetary policy rate by 50 basis points).
2. The potential negative impact on the target audience (e.g., the public may experience an increase in credit interest rates).
3. The solution offered by the central bank (e.g., this adjustment helps control inflation and protect the purchasing power of the entire population).

4. The expected results or benefits derived from that solution (e.g., inflation is expected to gradually decrease toward the target in the coming months, allowing citizens to see an improvement in their purchasing power).

Message houses, on the other hand, are particularly suitable for communicating policy decisions and developing broader communication campaigns. This structure facilitates consistency in messaging among different spokespersons, ensuring that all communications remain aligned with the BCCR's institutional positioning ("living under the same roof").

Its design can be illustrated as follows:

A unified central message ("strong roof").

Example: The increase in the monetary policy rate aims to control inflation and preserve people's purchasing power while maintaining the country's economic stability.

Supported by three key supporting messages ("pillars").

Example:

- i. Inflation has exceeded the BCCR's target range, directly affecting household living costs, especially for low-income families.
- ii. Raising the monetary policy rate is an effective tool to moderate domestic demand, ease inflationary pressures, and anchor inflation expectations.
- iii. The BCCR is committed to a responsible and transparent monetary policy and will continue to act based on data to ensure inflation returns to target.

Reinforced by a solid base of technical information, such as key figures, empirical evidence, concrete examples, or relevant testimonials ("foundation and footings").

Example:

- i. Annual inflation in June stood at 6.8% (target: 3%).
- ii. The monetary policy rate rose by 50 basis points, reaching 5.25%.
- iii. Recent regional experiences show that early and decisive adjustments in the monetary policy rate help reduce the medium-term impact of inflation.
- iv. Seventy percent of current inflation is explained by external shocks, but the BCCR acts to prevent these from contaminating expectations.

Annex 5. Attributes of an Effective Central Bank Website

The BCCR's website should serve as the main gateway to key monetary and exchange rate policy information, offering simple navigation, prioritized strategic content, clear presentation, and hierarchical segmentation. It should ensure traceability, organized access to historical publications, use of visual and educational resources, mobile-friendly design, and compliance with accessibility standards. The following are some essential elements that IT central bank websites should consider.

- **Easy and direct access to critical monetary and exchange rate policy information.** Navigation to key content (such as the inflation target, Monetary Policy Rate (MPR) decisions, Board of Directors meeting calendar, and key technical reports (e.g., the Monetary Policy Report or meeting minutes) should be straightforward. In addition, FX intervention policies, their objectives, implementation details, press releases, and related regulations should be presented in a clear and accessible manner.
- **Prioritization of strategic content.** The homepage should prominently feature the most relevant and up-to-date information, avoiding content overload or elements that hinder user navigation.
- **Conceptual clarity and readability for diverse audiences.** Content should be presented in a clear, concise, and well-structured manner for audiences with varying levels of technical knowledge, including not only analysts and specialized media, but also the general public, educators, and students.
- **Hierarchical content segmentation.** A progressive approach is recommended, starting with key messages and conclusions at the initial level, and providing access to more in-depth technical documents through internal links or additional sections that are easy to locate.
- **Traceability and institutional attribution of content.** All documents, charts, and publications should be clearly identified with their source, nature (official, technical, institutional, or individual), and approval level (e.g., issued by the Board of Directors, a technical department, or authorized spokespersons).
- **Structured access to historical publications.** Previous decisions, press releases, reports, and speeches should be organized using efficient search systems and classification criteria by topic, date, and content type.
- **Use of visual and multimedia resources.** Greater use of interactive charts, infographics, explainer videos, and podcasts is recommended as tools to enhance public understanding and the dissemination of key messages.
- **Educational spaces.** The website should include a dedicated economic education section, with content designed to help teachers, students, and the general public better understand the BCCR's functions, monetary policy, and economic and financial issues related to central banking.
- **Responsive design and mobile navigation.** To maximize reach, the platform should be fully optimized for mobile devices, ensuring consistent user experience across different screen formats.
- **Accessibility.** The site should comply with accessibility guidelines to ensure usability for people with sensory disabilities.

Annex 6. Method And Key Indicators For Assessing The Effectiveness Of Central Bank Communications

I. Institutional communication activities

Quantitative and qualitative summary of actions undertaken by the BCCR:

Total volume of communication activities:

- Number of publications by channel (owned, earned, paid)
- Number of media responses and event participations
- Public appearances by spokespersons organized by the BCCR vs. third parties

Proactive vs. reactive breakdown:

- Percentage of activities initiated by the BCCR vs. those in response to external requests

Type of communication product:

- Press release, speech, social media post, webinar, etc.

Readability of products:

- Quantitative tools for communication analysis from the IMF
- Text analysis of press releases, reports, and other central bank publications regarding readability, using natural language processing technologies

II. Evaluation of owned communication channels

Website

- Total and new users; growth rates
- Visits by period and correlation with major events (e.g., policy decisions and pre-announced publications)
- Most visited topics (reports, press releases, statistics, etc.)
- Traffic sources

Social Media

- Followers by platform and growth rate
- Views, impressions, and interactions per specific post vs. historical averages by topic
- Click-through rate for specific posts vs. average
- Sentiment analysis of interactions on specific posts

III. Media and Public Opinion Monitoring

Mention analysis (publications)

- Total publications and views
- Share by channel (digital media, print press, television, radio, social media, etc.)

- Main outlets and external authors mentioning the BCCR
- Share of publications generated by the BCCR

Audience reach

- Views and activity during the reporting period
- Views by media channels and by the top 10 outlets

Narratives and topics

- Share of publications by BCCR topic (monetary policy, payment systems, financial stability, treasury, etc.)
- Level of prominence of the BCCR (main vs. secondary topic)
- Stories with the highest number of mentions, classified by positive and neutral sentiment vs. negative sentiment
- Penetration of the central bank's key messages in priority media (signal-to-noise ratio)

Sentiment and subjectivity analysis

- Distribution of tone in publications (positive, neutral, or negative)
- Coverage in earned media channels, broken down by sentiment
- Distinction between publications where the BCCR is the subject (news source) vs. the object (others speaking about the BCCR)
- Total and individual citations of spokespersons, and their frequency
- Main external commentators on the central bank and its policies, ranked by number of mentions, sentiment, and the topic/focus of their comments

Public opinion surveys

- Inflation expectations among target audiences (households, experts, businesses, market analysts)
- Levels of trust and credibility regarding the BCCR
- Public awareness and knowledge levels of the target audience about the central bank's identity, mandate, mission, objectives, other central banking functions, and monetary and exchange rate policy tools, among others

Annex 7. Key Principles For Communications In Times Of Crisis

While each crisis has different origins and unfolds in its own way, there are key principles that should guide communication with the public during such episodes. Below are some of these principles:

- **Be accurate, prompt, and clear:** In a crisis, it is essential for the central bank to act as the primary source of information, ensuring that everything it communicates is accurate, verified, and error-free, as any inaccuracy can fuel mistrust. To maintain control of the narrative, it is recommended to respond within a maximum of 24 hours and be prepared to increase the frequency of communications if the situation demands. Messages should be conveyed in clear language, supported by accessible and easily understood visuals, even more so than in regular communications. Transparency must be complete: it is better to be direct and truthful rather than attempting to reassure the public with empty rhetoric or generic formulas.
- **Be prepared:** Anticipating potential adverse scenarios is critical. If something can go wrong, prepare in advance to minimize its effects. This includes contingency plans, pre-approved messages, and well-defined protocols.
- **Be proactive:** Anticipatory management of communication risks is key to preventing critical situations from escalating or eroding institutional credibility. The central bank should identify potential communication risks early and activate preventive measures before they materialize. As part of this preparation, it is recommended to establish a crisis resolution team composed of specialists from the Communications Division, with clearly defined roles and responsibilities. This team should operate under a pre-established protocol that includes regular follow-up meetings, clear information flows, and an early warning system. In addition, a crisis communication plan should be developed with both baseline and alternative scenarios, pre-defined messages, designated spokespersons, backup channels in case of technical contingencies, and continuous verification of available data. Structured preparation will allow the bank to act swiftly, consistently, and effectively when unexpected events arise.
- **Be analytical:** Continuously assess risk indicators. Monitor the information environment 24/7. Increase the frequency of media monitoring reports or introduce alerts to support senior management in crisis decision-making. Evaluate the potential growth of key risk indicators and consider maintaining a low profile or exercising strategic silence if the level of risk is low. Overreacting can unnecessarily amplify the problem.
- **Be accessible:** To ensure all stakeholders have continuous, reliable, and timely access to the central bank's official information, it is recommended to consolidate a structured, multi-channel dissemination strategy. This should include a centralized section on the institutional website containing all relevant information, regular press conferences led by senior management or a designated spokesperson, and consistent updates on social media (e.g., daily at 8 p.m.) to keep key audiences informed with clear, consistent, and timely messages. This approach reinforces transparency, enhances information traceability, and contributes to well-anchored expectations.
- **Be cooperative:** In a crisis, the BCCR should proactively engage with key stakeholders, building trust with the media, civil society, opinion leaders, and strategic allies at both national and international levels. These actors (recognized for their credibility and influence) can play a critical role in amplifying the institutional message, countering false narratives, and safeguarding the Bank's

credibility. To maximize their impact, the BCCR should not rely on spontaneous coordination; instead, it should provide these allies with tailored message boxes that clearly convey the Bank's position on the causes, potential impacts, and expected evolution of the crisis, as well as its role in mitigation. This collaborative and planned approach helps build a strong, coherent narrative supported by multiple trusted voices in the public sphere.

- **Be intentional:** For crisis communication to be effective, the BCCR should ensure that messages reach directly those audiences most affected or those exposed to disinformation, misinformation, or incorrect information. This requires developing a detailed stakeholder map, identifying priority target groups, and ensuring that the chosen communication channels match those most frequently used by these audiences. It is also important to define a core media pool and build trusted relationships with strategic actors to enable proactive engagement, rather than relying solely on reactive responses. Finally, these efforts should be coordinated with other financial system entities to ensure that messages are consistent and mutually reinforcing during critical situations.

In crisis situations, central bank communication should aim to reduce uncertainty, strengthen public confidence, and protect its credibility. For this reason, it is essential to have clear objectives, well-defined messages, strong coordination among authorities, and adequate preparation to respond quickly and coherently. Key considerations include:

- **Clarity of objectives:** In externally driven crises (e.g., resulting from geopolitical, economic, financial, or environmental events), the central bank's communication should aim to reduce uncertainty, strengthen stakeholder confidence in its ability to maintain control, and minimize adverse reactions among affected audiences, positively influencing their perceptions and behavior. In crises of internal origin (e.g., unpopular policy decisions, policy errors, litigation, or information leaks), the priority should be to maintain or restore the central bank's credibility and the credibility of its policies. Communication should be part of an integrated policy package to address underlying issues, not merely a delay tactic.
- **What to communicate:**
 - Who is affected and what is being done: Key messages should describe the problem, who is affected, and what actions are being taken. Policy responses should address the core concerns of market participants: Is my money safe? Can I conduct normal banking operations? Will I have access to my funds? No key questions should be left unanswered.
 - Deliver news in clear, definitive, but non-alarming terms: If depositors or other creditors will incur losses, this should be communicated clearly in plain language, explaining why it is necessary, and the message should remain consistent unless significant new developments occur.
 - Communicating problems without solutions increases uncertainty: If identified issues remain unaddressed, incentives for creditors to run on financial institutions will grow.
 - Avoid overpromising: Address clearly identified issues without stating or implying that no further bad news will occur if uncertainty still exists. For example, saying "no more banks will fail" while unstable conditions persist can undermine credibility if even a small, non-systemic failure occurs.
- **Speak with one voice:** Financial authorities should communicate clearly and consistently, avoiding contradictions or mixed messages between different public entities.

- **Be prepared for “media battles”:** Affected groups may challenge the authorities’ account of events, their policies, or even the individuals responsible; the central bank should prepare a strong and unified response to such attacks.
- **Coordinate:** An integrated policy package and consistent communication from one or a few spokespersons require effective coordination between the government and financial agencies, as well as flexibility and responsiveness to emerging developments.
- **Prepare well:** While many decisions will need to be made “in the moment” during a crisis, many other decisions, materials, and processes can be prepared in advance.