Monday, November 7

8:15 a.m. – 9:00 a.m.  Administrative Briefing
Conducted by Ms. Iwona Kabat Lefebre
Program Officer, Joint Vienna Institute (JVI)

9:00 a.m. – 9:15 a.m.  Opening Session: Introductory Remarks
Session conducted by Mr. Tom Richardson,
Director, Joint Vienna Institute (JVI); Ms. Hali Edison (Deputy
Chief, European and Middle Eastern Division, ICD), Mr. Ray
Brooks (ICD) and Mr. Fukac, Consultant

9:15 a.m. – 10:00 a.m.  Course Introduction and Test
Session conducted by Ms. Hali Edison, Mr. Ray Brooks, and Mr.
Fukac

10:00 a.m. – 10:15 a.m.  Coffee Break

10:15 a.m. – 12:15 p.m.  L–1 Monetary and Exchange Rate Policy Frameworks and Strategies
Lecture by Mr. Brooks, Chief, European and Middle Eastern
Division, ICD.
- What are the goals of monetary policy?
-Alternative monetary and exchange rate policy frameworks
-How to choose a monetary and exchange rate framework

2:00 p.m. – 3:30 p.m.  L–2 Concepts, Measurement, and Determinants of Inflation
Lecture by Ms. Edison
- Discuss cost of excessively high/low inflation
- Describe the measurement of inflation, including headline and
  core inflation
- Introduce the Phillips curve and determinants of inflation

3:45 p.m. – 5:15 p.m.  W–1 Choosing a Monetary Policy Framework and Exchange Rate Regime

6:30 p.m. – 8:00 p.m.  Welcome Reception

1 Unless otherwise stated, coffee breaks will be held from 10:30 a.m.–10:45 a.m. and from 3:30 –3:45 p.m.
Tuesday, November 8

9:00 a.m. – 12:15 p.m. L–3 **The Monetary Policy Transmission Mechanism**
*Lecture by Mr. Brooks*
- Transmission mechanism observations
- Transmission mechanism channels (interest rate, exchange rate, asset prices, and credit)
- Some issues faced in practice
- How to strengthen the transmission mechanism?

2:00 p.m. – 5:15 p.m. W–2 **Workshop on Diagnosing Inflation**
Discuss recent trends in inflation and evaluate prospective inflation in Chile

Wednesday, November 9

9:00 a.m. – 12:15 p.m. L–4 **Exchange Rates: Concepts, Measurement, and Assessments of the Equilibrium Exchange Rate**
*Lecture by Ms. Edison*
- Exchange rate concepts: bilateral vs. multilateral, nominal vs. real
- Measures of price competitiveness: practical considerations
- Equilibrium real exchange rate and long-run trends in real exchange rates
- Assessment methodologies: EBA

2:00 p.m. – 5:15 p.m. W–3 **Workshop on Estimating the Equilibrium Real Exchange Rates**
- **Part A**: Application of the EBA methodologies for exchange rate assessments and **Part B**: Exchange Rates and Monetary Policy: The Case of Russia

Thursday, November 10

9:00 a.m. – 10:30 a.m. L–5 **Inflation Forecast Targeting**
*Lecture by Mr. Brooks*
- Why adopt a forward-looking framework?
- What is inflation forecast targeting?
- Key operational and design issues
- Case studies (Armenia, Chile, Israel, New Zealand)

10:45 a.m. – 12:30 p.m. L–6 **Monetary Policy Instruments**
*Lecture by Ms. Edison*
- Definitions of instruments: direct and indirect instruments
- Types, pros and cons of direct instruments
- The link between policy instruments and operating objectives
- Types, pros and cons of indirect instruments
2:00 p.m. – 5:15 p.m.  L–7  Introduction to a Small Macro Model
*Lecture by Mr. Fukac*
- Structural model as a story-telling tool
- Structure of a stylized small open economy model
- Exchange rate regimes and monetary policy rules
- First steps in making the model operational in a policy environment

*Friday, November 11*

9:00 a.m. – 10.30 a.m.  L–8  Managing Capital Flows:
*Lecture by Mr. Brooks*
- Economic impact of capital flows
- Macroeconomic policy response
- Prudential policy response
- Capital flow measures

10:45 a.m. – 12:15 p.m.  W–4  Case Study on Strategy for Dealing with a Surge in Capital Inflows
- Discussion of Thailand’s experience with using capital controls to stabilize its economy during 2006-07

2:00 p.m. – 5:15 p.m.  O–1  Preparation for Debates On Key Issues, followed by three 20-minute debates

*Monday, November 14*

9:00 a.m. – 12:15 p.m.  L–9  Lessons for Monetary and Macroprudential Policies from the Recent Crisis
*Lecture by Mr. Fukac*
- Consensus Before the Crisis
- Lessons from the Crisis
- New Proposals for Monetary Policy
- The Interaction of Monetary and Macroprudential Policies

2:00 p.m. – 5:15 p.m.  W–5  Case Study on Strategies for Monetary and Exchange Rate Policy in the Aftermath of Capital Outflows
- Discussion of alternative monetary and exchange rate policy responses to sudden capital outflows using the experience of two New Member States during the global financial crisis (2008–2010)
Tuesday, November 15

9:00 a.m. – 11:15 a.m.  L–10  Consistency of Exchange Rate and Monetary Policy Objectives
   Lecture by Mr. Fukac
   - Consistency of the REER trend, inflation and nominal exchange rate objectives;
   - Real UIP: consistency of the REER trend, interest rate differential and sovereign premium
   - The long run trends and the steady state in a Small Structured Model
   - Trend-cycle decomposition: filtration

11:15 a.m. – 12:15 p.m.  W–6  Workshop on Using a Model for Monetary Policy Analysis
   Discuss the scope for monetary policy in the Czech Republic and Georgia using a simple reduced-form, new-Keynesian model: prepare a medium-term inflation forecast and discuss the setting of the monetary stance

2:00 p.m. – 5:15 p.m.  W–6  Workshop on Using a Model for Monetary Policy Analysis (continued)

Wednesday, November 16

9:00 a.m. – 10:30 a.m.  L–11  Role of Central Bank Communications
   Lecture by Ms. Edison
   - Why central banks communicate
   - What central banks should communicate
   - How central banks communicate

10:45 a.m. – 12:15 p.m.  W–6  Workshop on Using a Model for Monetary Policy Analysis (continued)

2:00 p.m. – 5:15 p.m.  W–6  Workshop on Using a Model for Monetary Policy Analysis (continued)

7 pm. Farewell Dinner [To be confirmed with JVI]
### Thursday, November 17

<table>
<thead>
<tr>
<th>Time</th>
<th>Location</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>9:00 a.m. – 12:15 p.m.</td>
<td>W–6</td>
<td>Workshop on Using a Model for Monetary Policy Analysis (continued)</td>
</tr>
<tr>
<td>2:00 p.m. – 2:30 p.m.</td>
<td></td>
<td>End-of-course test</td>
</tr>
<tr>
<td>2:30 p.m. – 3:30 p.m.</td>
<td>W–6</td>
<td>Workshop on Using a Model for Monetary Policy Analysis (continued)</td>
</tr>
<tr>
<td>3:45 p.m. – 5:15 p.m.</td>
<td>W–6</td>
<td>Workshop on Using a Model for Monetary Policy Analysis: Group Presentations</td>
</tr>
</tbody>
</table>

### Friday, November 18

<table>
<thead>
<tr>
<th>Time</th>
<th>Location</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>9:00 a.m. – 10:30 a.m.</td>
<td></td>
<td>Monetary Policy Design and Implementation in Georgia Seminar by Mr. Archil Imnaishvili National Bank of Georgia</td>
</tr>
<tr>
<td>10:45 a.m. – 11:30 a.m.</td>
<td></td>
<td>Closing Session and Presentation of Certificates (includes evaluation)</td>
</tr>
</tbody>
</table>