



PRESS NOTE

Santiago, 5 December 2018

The Central Bank of Chile appoints a panel of experts and initiates process of external evaluation

As it announced last September, the Board of the Central Bank of Chile has convened the five foreign economists that will make up the panel of experts entrusted with evaluating the Bank's performance:

Dr. Karnit Flug (Chair), former governor of the Bank of Israel; professor Dr. Petra Geraats, from the University of Cambridge, UK; professor Guillermo Calvo, from Columbia University, US; professor Enrique Mendoza, from the University of Pennsylvania, US; and Brookings Institution senior researcher Donald Kohn, who formerly served as Deputy Governor of the US Federal Reserve Board.

The panel will evaluate the Central Bank's compliance with the dual mandate under its Organic Law, namely to safeguard price stability and financial stability. As Governor Mario Marcel pointed out in his presentation to the Senate last September, this seeks to enhance the Bank's transparency in exercising its functions within a framework of institutional autonomy. The selection of the panel was based on these worldwide renowned economists' vast professional experience and knowledge of central banking matters. The group will have complete independence to gather information and interview local and foreign experts.

The topics that the panel will be evaluating include the analytical framework and the powers available to the Bank, its policy formulation process, communication and results, with special emphasis on the entity's most recent years of operation.

The final evaluation report will be presented with the institutional account the Bank is due to submit to the Senate plenary in September 2019, which acquires a special connotation as the year marks the 30th anniversary of its granted autonomy.

Short biography of the members of the external evaluation panel

Guillermo Calvo. Professor of Economics at the School of International Affairs of Columbia University, US. Past experience includes serving as Senior Advisor to the Research Department of the International Monetary Fund (1988-1993), Chief Economist of the Inter-American Development Bank (2001-2006), and Distinguished Professor of the Department of Economics at the University of Maryland, US (1994-2006). His research has focused on economic theory, especially topics of prices and inflation, central banking and public finances and, more recently, on capital flows and balance of payments crises in emerging economies.

Karnit Flug. Governor of the Bank of Israel from November 2013 to November 2018, and previously its Deputy Governor since 2011. In 1984, she worked with the IMF Research Department, and in 1988 she joined the Research Department of the Bank of Israel. In 1997 she was appointed Assistant Director and in 2001 Director of the same Research Department. Throughout her career, she has authored and published numerous academic articles on central banking and monetary policy, fiscal policy, the labor market and international finance.

Petra Geraats. Professor at the School of Economics, University of Cambridge, UK. She has served as Advisor to the IMF's Independent Evaluation Office, as External Expert of the Central Banking Studies Group, of the Economics and Monetary Department of the Bank for International Settlements, and has been a member of independent evaluation panels of the European Central Bank and the Central Bank of Norway. She has done research in macroeconomics, international finance and behavioral economics, with special emphasis on monetary policy transparency.

Donald Kohn. Senior Researcher of the Economic Studies program of the Brookings Institution, US. He is currently an external member of the Bank of England Financial Policy Committee. Previously, he served for 40 years in the US Federal Reserve Board, including being its Deputy Governor between 2002 and 2010. He advised Federal Reserve Governor Ben Bernanke during the years 2008 and 2009 and previously then Governor Alan Greenspan, among other duties within the Federal Reserve. His research has focused mainly on central banks' communication and independence, implementation of monetary policy and financial regulation and supervision.

Enrique Mendoza. Presidential Professor of Economics and Director of the Penn Institute for Economic Research, University of Pennsylvania, US. Previous engagements include being Professor of Economics at the University of Maryland, US, Associate Professor at Duke University, North Carolina, US, and economist at the IMF and the US Federal Reserve. His research focuses on international capital flows, financial crises, sovereign debt, and international business cycles.

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