

## [Download](#)

Keep in mind

The series Working Papers on Economics is published by the Office for Economic Studies at the *Banco de la República* (Central Bank of *Colombia*). The works published are provisional, and their authors are fully responsible for the opinions expressed in them, as well as for possible mistakes. The opinions expressed herein are those of the authors and do not necessarily reflect the views of Banco de la República or its Board of Directors.

Autores y/o editores

[Ospina-Tejeiro, Juan José](#)

[Romero-Chamorro, José Vicente](#)

The series [Working Papers on Economics](#) contributes to the dissemination and promotion of the work by researchers from the institution. On multiple occasions, these works have been the result of collaborative work with individuals from other national or international institutions. This series is indexed at Research Papers in Economics (RePEc). The opinions contained in this document are the sole responsibility of the author and do not commit Banco de la República or its Board of Directors.

Publication Date:

Friday, 18 October 2024

## **Abstract**

Transparency is often emphasized as a key element for central bank independence and the effectiveness of monetary policy. Between 2018 and 2019, the Central Bank of Colombia (Banco de la República) undertook a significant overhaul of its monetary decision-making process, which led to significant changes in how the bank works to design its monetary policy and communicate its outlook on the economy and its interest rate decisions to the public. This paper assesses how these changes may have impacted monetary transparency over time. To this end, we compute the Dincer-Eichengreen-Geraats (DEG) Transparency Index (Dinçer et al., 2019) and the Central Bank Transparency-Inflation Targeting (CBT-IT) Index (Al-Mashat et al., 2018) and find that the implemented changes led to an increase in monetary policy transparency, which, to a large degree, closed the gap with respect to the leading central banks with IT regimes and highest transparency ratings.