

**e-ITEC**

# Online Training Programme on Central Banking for Emerging Market Economies

November 7 – 19, 2022

(Online course duration 50 hours)

*Programme Directors*

Dr G Nagaraju

Dr Jiji T Mathew



**National Institute of  
Bank Management  
Pune, India**



## Introduction

Central banks are some of the most important institutions in the functioning of modern-day macroeconomics. Central banks deal with the currency and finance systems, which are core to the conduct of business in the economy. The main objective of central banks is to maintain stable and orderly financial conditions in the economy and to create enabling conditions for growth and development. Central banks perform different roles and functions to discharge their objectives.

The conventional core functions of central banks are: (a) maintenance of currency and payment system; (b) functions of banker to Government; and (c) functions of being banker to the banks. However, over a period of time, modern central banks assumed many more important roles and functions. One of the key functions that central banks perform is the conduct of monetary policy. Through the conduct of monetary policy, central banks shape the money and credit supply conditions, in a direction that is desirable given the economic conditions. Another key function of central banks is regulation of financial institutions such as banks and other financial institutions for orderly development of financial conditions in the economy. Through regulations, central banks also contribute to the financial stability and orderly conduct of financial markets.

Central bank functions are evolving continuously. The developments financial technologies aided by modern IT and communication technologies have brought in sea changes in how financial systems are conducting business. Further, the global integration brought out by liberalization and globalization have even more increased the challenges of central banks. Central banks in emerging market face further more changes in the form of financial inclusion, and other social objectives.

### Objective

- ☐ To development of perspectives regarding global/local monetary and financials system
- ☐ To delivering comprehensive inputs on role and functions of a central bank and
- ☐ To imparting operational skills in certain vital areas of central banking (as mentioned in the scope below)

## Participation / Pedagogy

Candidates for the programme will be selected carefully so that the training contents will be useful for them. Participants should have adequate knowledge of the English language.

Candidates must be from Central Banks (preferably from emerging market economies), and working in one of the important functional departments covered in the programme. The candidates must be Post Graduates. They must be having a minimum work experience of 5 years and belonging to middle and senior management cadre.

Lectures, case studies, group projects and bank visits.

## Programme Content

### 1. Perspective Development

- (a) Global monetary and financial system and integration; current events covering recession in high income economies, measures taken by respective countries and their impacts on emerging market economies.
- (b) Monetary and financial system of an emerging market economies; aggregate demand and aggregate supply; money demand and money supply, role of banking system in the context of monetary system of the economy
- (c) Functioning of Financial markets of an economy – Interbank money market, Debt, equity and forex markets; institutions, operations and instruments
- (d) Understanding inflation – forms, causes, effects, measures to counter inflation

### 2. Role and Functions of Central Bank

#### ***I. Monetary Policy Related***

- (a) *Conduct of Monetary Policy*: Enunciation of Objective of the Policy, Instruments and Transmission Mechanism under the policy
- (b) *Operating Procedures of Monetary Policy*: Money Market and G-Sec Market Operations for liquidity management – Repo/ reverse repo, open market operations, CRR policy
- (c) *Different Monetary Policy Regimes and Strategies*: Inflation targeting; Monetary Targeting, Exchange rate targeting.
- (d) *Unconventional Monetary policy responses*: Quantitative Easing, Credit Easing, Zero or negative Interest policy; forward guidance; Operation twist.
- (e) Enablement of financial markets: central bank role in orderly development of financial markets

#### ***II. Regulation and Supervision of Banks and financial markets***

- (a) *Capital Adequacy of Commercial Banks*: BIS norms of capital adequacy, Basel II and III, measurement and management of risk of commercial banks, Notifications and Directions regarding risk management and other compliances
- (b) *Functional Directions to Commercial Banks*: Notifications and Directions regarding functional areas such as NPA recognition; treasury operations both for investments and trading in cash and derivative segments; accounting standards of profit booking and provisioning, etc.
- (c) *Exchange Control*: Exchange Control policy; Notifications and Directions to Commercial Banks and others regarding allowed transactions; Banking facilities to non-residents and residents in foreign currency

### **III. Other Functions**

- (a) Government Debt Management: auctioning of debt instruments, timing, amount of auction and cut-off rate determination
- (b) Foreign Exchange Market Management: exchange rate policy, intervention and sterilization
- (c) Foreign exchange Reserve Management: Forex reserves policy, adequacy of reserves, portfolio of forex reserves
- (d) International relationships with multilateral organizations such as IMF, BIS, OECD and other countries' central banks
- (e) Currency management: notes and coins issues and disbursements
- (f) Improving payment settlements – wholesale payment settlements, retail commercial payments systems
- (g) Financial literacy: Central Banks programmes regarding improving financial literacy.

### **Faculty**

The sessions will be handled by senior bankers and NIBM faculty

### **Schedule of Classes**

Classes are scheduled during November 7 – 19, 2022. This online course will have 50 hours of engagement time spread over 13 days.

### **Modalities**

Participants enrolled in the programme will be provided with login credentials to access the learning platform of NIBM. Guidance will be provided for navigating through the platform such as accessing courseware, viewing video sessions, participating in live sessions, taking quizzes, etc.

To view the live sessions, participants must have a stable internet connection on a desktop/laptop/iPad with WebEx/Google Chrome.

### **Completion Certificate**

A completion certificate will be given to the participant at the end of the programme provided he/she attends the programme for at least the total number of engagement hours specified

### **Sponsorship by the Ministry of External Affairs, Government of India**

Participants of this programme would be sponsored by the Ministry of External Affairs under the ITEC programme

## Programme Directors

### 1. Dr Gotla Nagaraju

Dr Gotla Nagaraju is an associate professor at National Institute of Bank Management (NIBM). He has obtained his doctorate degree in Economics from Osmania University, Hyderabad and has a total work experience of about 25 years in academic institutions as teacher and executive trainer. At NIBM, he has conducted several training programmes in different fields banking. Some of the focus areas of his training programmes are: Treasury Management, International Banking, Forex Markets, Financial Risk Management, Financial Markets, Central Banking and Macroeconomic Environment. The areas of his teaching at Post Graduate level include Statistics for Management, Macroeconomics, Central Banking and International Banking. Dr Nagaraju keeps keen interest on research in the field of Banking and Finance.

### 2. Dr Jiji T Mathew

Dr Jiji T Mathew is an Assistant professor at National Institute of Bank Management (NIBM), Pune, and belongs to the area group of Money, International Banking and Finance (MIBF). He obtained Ph.D. in Economics from Madras School of Economics, University of Madras, and Chennai. Dr Mathew's Ph.D. thesis deals with Measuring Independence and Accountability of Central Banks. His published research articles and working papers are mainly in the area of central banking, Macroeconomics, Financial Crisis and Global Financial Markets. He teaches Macroeconomics, Managerial Economics, Central Banking and International Finance for the NIBM's two year PGDM course in Banking and finance. Dr Mathew has conducted several Executive Development Programmes in central banking, International Banking and foreign exchange for officers at the Branch level and Forex Trading programmes for treasury dealers of banks from both India and abroad. He has more than 18 years of experience in teaching and training in NIBM.

Please address your enquiries to:

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## About the Institute

The NIBM is a premier academic-cum-training institute for providing research, training and consultancy services to the banking industry and financial institutions both in India and abroad. The Institute was established in 1969 as an autonomous body by the Government of India and is supported by the Reserve Bank of India, Commercial Banks and Financial Institutions in India.

The Institute aims at promoting professionalism in the management of banks and other financial institutions by carrying out the following functions:

- ❖ Imparting training and education to bankers both in general and functional management areas.
- ❖ Conducting fundamental and applied research on problems concerning the banking industry.
- ❖ Providing consultancy and other advisory services to the industry in their problem solving endeavours.

The NIBM currently has around 30 faculty members including the visiting faculty, working in the following area groups (multi-disciplinary approach): (a) Finance, (b) Human Resource Management, (c) Information Technology, (d) Money, International Banking and Finance, (e) Rural Finance and Development, (f) Strategic Planning, Marketing and Control.

The Institute conducts the following major education and training programmes:

- ❖ Top management conferences and seminars on policy issues.
- ❖ Training programmes in functional and general management areas for senior bank executives from India and other countries.
- ❖ Programmes for development of faculty at the banks' training establishments.
- ❖ Incompany programmes for meeting organization-specific requirements of banks and financial institutions both in India and abroad.
- ❖ Conducting AICTE approved Post-Graduate Diploma in Management (PGDM) - Banking and Financial Services to provide to the financial system a pool of talented young executives on a regular basis.

The Institute has been actively involved in research on various subjects concerning the banking and financial system. It has brought out more than 100 publications in the form of books and monographs.

The Institute also brings out the following quarterly Journals in English:

- **Prajnan:** Journal of Social and Management Science (launched in 1972)
- **Vinimaya:** Presents conceptual and practical view points of both the bankers and management educationists on issues of bank management in an informal style (launched in 1976)

The Institute has contributed significantly to the development of banking and financial sector in India and other developing countries through its consultancy and policy research activities in diverse areas.

The Institute has an excellent Library with more than 65,000 books, 10,000 bound volumes of journals and 2,000 reports of various committees. The library receives more than 240 Indian and foreign academic journals on various subjects of management, information technology, banking and finance.

The Institute also has a modern, well-equipped Computer Service Centre to support its academic activities.

The Institute has excellent Administrative Support Facilities for carrying out its activities. These include reprographic services, internet and e-mail facilities, travel booking arrangements, entertainment facilities, etc. Medical facilities are also provided within the campus. The supporting administrative staff is efficient and well organized.