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National Bank of Poland  
Plan of activity  
2004–2006

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## Abbreviations

BIS	Bank for International Settlements
BBM	Bureau of Macroeconomic Research
BFG	Bank Guarantee Fund
CCBM	Correspondent Central Banking Model
GINB	General Inspectorate of Banking Supervision
DA	Administration Department
DAMS	Macro-economic and Structural Analyses Department
DES	Cash and Issue Department
DIT	Information Technology and Telecommunications Department
DK	Personnel Department
DKS	Department of Information and Public Relations
DO	Security Department
DOK	Domestic Operations Department
DOR	Accounting and Operations Department
DOZ	Foreign Exchange Department
DP	Legal Department
DS	Department of Statistics
DSF	Financial System Department
DSP	Payment Systems Department
DZ	International Department
ECB	European Central Bank
ERM	Exchange Rate Mechanism
ESCB	European System of Central Banks
EWIB	The NBP bank register
GOWD	Chief Branch of Foreign Exchange
GP	Office of the President
GUS	Central Statistical Office
KDPW	National Securities Depository
KIR	National Clearing House
KNUiFE	Insurance and Pension Funds Supervisory Agency
KPWIG	Securities and Exchanges Commission
NBP	National Bank of Poland
MF	Ministry of Finance
OECD	Organisation for Economic Co-operation and Development
PWPW	State Printing House of Securities
RTGS	Real-Time Gross Settlement
SEBOP	Book entry system for NBP bills
SES	Cash and Issue System
SKARBNET	Book entry system for Treasury bills
SORBNET	Polish RTGS for payments in zloty
TARGET	Transeuropean Automated Real-time Gross settlement Express Transfer system
WGPW	Warsaw Stock Exchange
XML	Extensible Markup Language
ZUG	Support Services Office

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# 1

## Areas of activity of the National Bank of Poland

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The responsibilities of the National Bank of Poland are defined in Article 227 of the Constitution of the Republic of Poland, the Act on the National Bank of Poland and the Banking Act. These responsibilities are to be fulfilled within general areas of NBP activity of which the following are considered to be of key importance:

- Monetary policy development and implementation
- The issue of currency
- Management of foreign exchange reserves
- Banking supervision
- Development of the payment system
- Educational and information activities
- Providing services for the State Treasury
- Foreign exchange operations

NBP operations are supported by analytical and statistical activity as well as international cooperation.

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## 2 The general context

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1. In the coming years, the implementation of NBP objectives will primarily be influenced by the process of European integration.

In May 2004, Poland will become a member of the European Union. The Polish economy, including its finance sector, will operate under new conditions as a result of Poland's entry into the EU Single Market which requires the free movement of goods, services, people and capital. It involves increased competition, inflow of investments and new technologies.

There will be a major change to the institutional environment. The National Bank of Poland will become a member of the European System of Central Banks (ESCB), which involves new responsibilities and a closer co-operation with the European Central Bank (ECB). The President of the NBP will be a member of the ECB's General Council, while the NBP staff will sit on the ESCB's Committees and working groups. They will also participate in the work of expert bodies of the European Council and the European Commission.

The NBP will face the challenges related to the Poland's goal of joining the euro area. First it involves membership of the Polish currency in the Exchange Rate Mechanism II (ERM II) and then, after meeting the convergence criteria laid down in the Maastricht Treaty, the adoption of the euro as a domestic currency.

2. In addition to the conditions regarding the European integration, the achievement of NBP objectives will also be contingent on other external factors (growth of the global economy, pace of globalisation) and internal factors (domestic legislation, degree of liquidity of the Polish banking sector, shape of fiscal policy, progress of structural reforms).

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# 3

## Objectives of the National Bank of Poland

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Within the framework of its activities for the years 2004-2006 the NBP will aim to achieve seven objectives.

### 3.1. Monetary stability

Achievement of the monetary stability objective means:

- fulfilling its constitutional mission of bearing responsibility for the value of the Polish currency through enforcement of the Monetary Policy Strategy and the Monetary Policy Guidelines passed by the Monetary Policy Council;
- ensuring an adequate level of the State's financial security through the management of foreign exchange reserves;
- providing security, liquidity and quality of cash operations by issuing and putting domestic currency into circulation;
- enhancing the credibility of the NBP as an institution responsible for maintaining a low level of inflation rate, which includes such means as communication with the financial markets, entrepreneurs and the general public.

### 3.2. Financial system stability

Achieving the objective of stability of the financial system the NBP:

- provides liquidity, smooth operation and security to the payment system through its regulatory and supervisory functions;
- contributes to the development of a safe financial market infrastructure as the owner and operator of a real-time gross settlement (RTGS) system and as a shareholder of the National Securities Depository (KDPW) and the National Clearing House (KIR);
- provides security of funds deposited in bank accounts by supervising the banking system;
- grants financial assistance to the banking sector in co-operation with the Bank Guarantee Fund;
- contributes to the development of an early warning system against threats to the financial system through the surveillance and analysis as well as co-operation and exchange of information with supervisory institutions;
- contributes to ensuring security and liquidity of public sector settlements by operating of the central government and general government accounts.

### 3.3. Technical preparedness for ESCB membership

Ensuring the technical preparedness for joining the European System of Central Banks involves:

- fulfilment by the NBP of all the obligations set for the central banks of countries which have adopted the common currency euro;
- implementation of the European standards where necessary;
- assistance to the banking sector in its preparations for introducing the common currency euro in Poland.

The NBP aims at achieving the technical preparedness to implement the tasks posed by Poland's entry into the Exchange Rate Mechanism II (participation of the zloty in ERM II) by the end of 2004 and in the euro area by the end of 2006.

### 3.4. Assuming the status of a major academic centre involved in economic research in Poland and within ESCB

In performing this objective, the NBP shall:

- develop its analytical activity with a view to supporting the decision-making process of monetary and government policy as well as the dissemination of economic information by issuing documents and reports on various aspects of Poland's economic situation;
- conduct scientific research in collaboration with both domestic and foreign research centers, including the ECB, publishing joint papers and organising domestic and international scientific conferences;
- ensure the reliability of collected statistical data which represent a major source of information on the condition of the Polish economy, both for the Bank and the external environment.

### 3.5. Raising economic awareness

The attainment of this objective results in:

- increased knowledge of central banking operations, the banking system and the entire economy, as well as of global economic processes (including those regarding the euro currency) by making available NBP publications, announcements and website;
- providing access to economic information for persons living outside major domestic research centres via the Portal for Economic Education, scholarship and grants.

### 3.6. Maintaining high quality of customer service

The NBP mindfully attends to the expectations and needs of its customers. These include general government and financial institutions which keep their accounts with the NBP as well as natural persons as users of currency.

The attainment of this objective involves:

- extending the scope and improving the quality of the services it offers, while preserving a high level of security through the implementation of modern IT solutions and informational activity.

### 3.7. An efficient institution

To achieve those objectives the NBP's efficient operation is necessary. This may be accomplished by:

- providing competent, efficient and trustworthy employees by conducting training programmes and appropriate HR policy;
- enhancing the NBP's transparency of operations and reliability via financial reporting, risk management and internal audit;
- increasing the effectiveness and quality of operations by means of strategic planning and project management.

## 4

## NBP tasks in the years 2004-2006

The NBP activity plan for the years 2004-2006 includes both priority and standard tasks designed to perform the objectives. It does not cover the tasks of a continuous character which the Bank presents, inter alia, on its website.

#### 4.1. Priority tasks in the years 2004-2006

The priority tasks listed below, to be implemented in the years 2004-2006, are by definition, necessary for the NBP to achieve its objectives. They have been presented in the breakdown into their relevant areas.

#### *Monetary policy development and implementation*

##### 1. Preparing the Polish currency for participation in the Exchange Rate Mechanism II (ERM II)

- Developing the operational and organisational framework for interventions in the foreign exchange market under ERM II

Time frame: 2003 – 2004

Department responsible: DOK, DAMS, DSF, DOZ

- Macro-economic analyses

- Estimate of the central parity under the ERM II based on equilibrium exchange rate models

Time frame: 2003 – 2004

Department responsible: DAMS

- Assessing effectiveness of the monetary policy transmission mechanism under ERM II

Time frame: 2003 – 30 April 2004

Department responsible: DAMS

- Effectiveness of interventions in the foreign exchange market under a quasi-fixed exchange rate regime

Time frame: 2003 – 30 April 2004

Department responsible: DAMS

In co-operation with: DSF

- Analysis of threats linked to ERM II participation with the aim to determine the optimum macro-economic policy under that mechanism

Time frame: 2003 – 30 April 2004  
Department responsible: DAMS

## 2. Estimate of the final zloty to euro exchange (conversion) rate based on equilibrium exchange rate models

Time frame: 2003 – 2006  
Department responsible: DAMS

## 3. Adjusting money market instruments and monetary policy implementation procedures to ECB requirements (developing legal regulations and IT systems)

Time frame: 2000 – 2006  
Department responsible: DOK  
In co-operation with: DIT, DP, DSP, DS, DOZ

- Within the framework of open market operations:
  - Adjusting procedures for performing basic operations;
  - Adjusting procedures for performing regular (once a month) liquidity-absorbing operations of three-month (3M) maturity;
  - Adjusting procedures for performing fine-tuning operations – currency swaps, central bank deposits, outright transactions and repo transactions;
  - Developing procedures for performing structural operations – issue of ECB certificates of deposit, outright transactions and repo transactions.
- Within the framework of reserve requirement:
  - Remuneration on the reserve requirement holdings;
  - Adjusting the reserve reduction amount to the level in force in the euro area;
  - Unifying principles for calculating and maintaining of the reserve requirement compliant with the principles in force in the euro area;
- Preparing the NBP for participation in the ESCB collateral management system through:
  - Developing a nationwide system for collecting and pricing qualified assets;
  - Reporting qualified assets to the ECB.
- Developing procedures for daily reporting to the ECB on banking sector liquidity.

#### 4. Work on the inclusion of the NBP in the Correspondent Central Banking Model (CCBM)

Time frame: 2004 – 2006  
 Department responsible: DOK  
 In co-operation with: DSP, DIT, KDPW

#### 5. Extending the list of eligible collaterals for credit operations with the central bank

Time frame: 2002 – 2006  
 Department responsible: DOK  
 In co-operation with: DSP, DSF, DIT

## 4

### *The issue of currency*

#### 6. Introducing euro notes and coins and withdrawing domestic currency from circulation

Time frame: 2000 – 2006  
 Department responsible: DES  
 In co-operation with: NBP regional branches,  
 GOWD, DO, DOR, DP, DA,  
 Polish State Mint, PWPW

- Preparing euro coins with the country – specific side and ensuring a supply of euro currency in amounts necessary for maintaining the liquidity of cash settlements within the territory of the Republic of Poland
- Developing and executing a logistic project regarding the distribution of the euro currency and smooth withdrawal from circulation and destruction of the domestic currency
- Preparing appropriate legal regulations applicable to the NBP and commercial banks in respect of the change-over

#### 7. Developing procedures for issuing commemorative and collector's coins following Poland's adoption of the euro

Time frame: 2006  
 Department responsible: DES  
 In co-operation with: Polish State Mint

#### 8. Adjusting the regulations concerning cash and vault operations to ECB regulations

Time frame: 2004-2006  
 Department responsible: DES  
 In co-operation with: DZ, DOR, DO, DIT

### *Management of foreign exchange reserves*

#### 9. Determining the adequate currency structure of foreign exchange reserves in anticipation of Poland's entry in the euro area

Time frame: 2006  
Department responsible: DOZ  
In co-operation with: DOK, DAMS, DZ, DSF

#### 10. Transferring a portion of reserve holdings to the ECB for management

- Developing procedures for direct cooperation with the ECB in managing of the ECB foreign exchange reserve holdings

Time frame: 2006  
Department responsible: DOZ

- Implementing IT system to manage a portion of ECB's foreign exchange reserves

Time frame: 2006  
Department responsible: DOZ  
In co-operation with: DIT, DO

### *Banking supervision*

#### 11. Preparing the General Inspectorate of Banking Supervision (GINB), in professional, organisational and infrastructure terms, for the implementation of the New Capital Accord

Time frame: 2002 – 2006  
Department responsible: GINB  
In co-operation with: DP

- Incorporating the provisions of the CAD3 Directive in the Polish regulations on banking supervision
- Enabling the acceptance of statistical methods for credit and operational risk management with a view to determining capital requirements
- Tailoring supervisory requirements in accordance with the specific risk profiles of individual banks
- Strengthening market discipline through an extended range of mandatory disclosures
- Enabling recognition for regulatory purposes of a wider scope of modern risk mitigation techniques

*Development of the payment system*

## 12. Introducing new technological solutions within the SORBNET system

- Preparing the SORBNET-EURO system for indirect participation in the TARGET system

Time frame: 2003 – 2005  
 Department responsible: DSP, DIT  
 In co-operation with: DOK, DOR, DOZ,  
 DO, DAW, GP

- Undertaking adjustment measures for participation in TARGET 2

Time frame: 2004 – 2006  
 Department responsible: DSP, DIT  
 In co-operation with: DOK, DOR, DOZ,  
 DO, DAW

## 13. Adjusting the NBP infrastructure to EU security requirements of the RTGS system and other key systems operated by the NBP (in particular SKARBNET and SEBOP)

Time frame: 2003 – 2004  
 Department responsible: DIT, DO  
 In co-operation with: system owners

*Educational and information activities*

## 14. Preparing and conducting an information campaign to publicise the information about the EMU to the general public and within the banking sector and to promote positive attitudes towards the euro

Time frame: 2000 – 2007  
 Department responsible: DKS, DZ  
 In co-operation with: NBP Head Office  
 departments, GINB, NBP regional branches

- Building a positive image of the euro as the common currency of a united Europe
- Building a positive image of the NBP as an institution involved in the most important domestic social and economic developments
- Raising public awareness of the euro and the EMU
- Raising public awareness of the Maastricht convergence criteria and the significance of their fulfilment for Poland

## 15. Establishing and continuous updating of the NBP Portal for Economic Education

Time frame: 2003 – 2004  
 Department responsible: DKS

*Providing services for the State Treasury*

16. Revising reporting principles regarding the balances in central government accounts

Time frame: 2001 – 2005  
 Department responsible: DOR  
 In co-operation with: DIT

17. Developing and implementing software for operating the central current account of the central government as defined in the Public Finance Act

Time frame: 2002 – 2005  
 Department responsible: DOR, DIT

*Analytical activity*

18. Participating in basic research carried out within ESCB, including co-operation in the area of economic analysis and forecasts

Time frame: 2000 – 2006  
 Department responsible: DAMS, DSF, BBM

- Research on the equilibrium exchange rate
- Research on the effectiveness of the monetary policy transmission mechanism
- Forecasts for the Polish economy
- Forecasts for other economies
- Forecasts of raw-material prices on international markets
- Improving forecasting and simulation tools

19. Developing an early warning system against currency crises

Time frame: 2002 – 2004  
 Department responsible: DSF

20. Analysing the impact of the euro changeover on the NBP profit and loss account

Time frame: 2004 – 2006  
 Department responsible: DOR  
 In co-operation with: DAMS, DOK, DOZ

*Statistical activity*

## 21. Bringing monetary statistics in line with EU requirements

- Compiling a list of monetary financial institutions (MFIs) for statistical purposes – determining their institutional scope

Time frame: 1 January 2004 – 30 April 2004  
 Department responsible: DS  
 In co-operation with: GUS

- Implementing modifications to the reporting system of monetary financial institutions in line with ECB requirements regarding balance sheet statistics, transaction statistics and interest rate statistics

Time frame: 1 January 2004 – 30 April 2004  
 Department responsible: DS  
 In co-operation with: DIT

- Expanding statistical research on monetary statistics to include new areas, i.e.:

– Statistics of structural indices of credit institutions

Time frame: 1 January 2004 – 30 April 2004  
 Department responsible: DS  
 In co-operation with: DSF, GINB, KPWiG

– Statistics of remaining financial intermediaries

Time frame: 2004 – 2006  
 Department responsible: DS  
 In co-operation with: DSF, GINB, KPWiG

– Statistics for macro-supervisory analysis purposes

Time frame: 2004 – 2006  
 Department responsible: DS  
 In co-operation with: DSF, GINB, KPWiG

- Compiling quarterly data regarding financial accounts in conformity with ECB requirements

Time frame: 2004 – 2006  
 Department responsible: DS  
 In co-operation with: GUS, MF, KNUiFE, KPWiG, KDPW, WGPW

- Forwarding statistical information on the central and general government sectors, developed on the basis of data obtained from the Ministry of Finance and the Central Statistical Office, and in conformity with ECB requirements

Time frame: 2004 – 2006  
 Department responsible: DS

- Determining the scope of necessary modifications to the reporting system of monetary financial institutions (geographic and currency break-downs) posed by EU enlargement by new member countries in May 2004

Time frame: 2004 – 2006  
 Department responsible: DS  
 In co-operation with: DIT

## 22. Adjusting the balance of payments statistics to EU requirements

- Introducing a new system of bank reporting to the balance of payments

Time frame: 1 January 2004 – 30 April 2004  
 Department responsible: DS  
 In co-operation with: DIT

- Developing and implementing a statistical system for generating information on portfolio investments for balance-of-payments purposes, in accordance with new ECB requirements

Time frame: 2004 – 2006  
 Department responsible: DS  
 In co-operation with: DIT, external institutions  
 collecting data on foreign trade, including GUS

## 23. Adjusting real economy statistics to EU requirements

- Forwarding to the ECB statistical information on the real economy, compiled on the basis of public statistics data

Time frame: 2004 – 2006  
 Department responsible: DS  
 In co-operation with: GUS

### *Legal service*

## 24. Amending the Act on the National Bank of Poland in accordance with regulations in place in the EU in connection with Poland's entry to the euro area

Time frame: 2004 – 2006  
 Department responsible: DP  
 In co-operation with: NBP Head Office  
 departments, GINB

### *Organisation and planning*

## 25. Adjusting financial planning to ESCB requirements

Time frame: 2000 – 2004  
 Department responsible: DOR

*Information Technology*

26. Developing a telecommunications and IT infrastructure that complies with the requirements of the ESCB IT system, including:

- Assembling ESCB WAN nodes in COK-L and SOK computer centres;
- Assembling ESCB-NET network nodes in COK-L and SOK computer centres;
- Assembling a dedicated telephony system as part of the ESCB teleconferencing system.

Time frame: 2003 – 2005  
 Department responsible: DIT  
 In co-operation with: DZ, GP

*Accounting*

27. Adjusting NBP accounting and reporting principles to the accounting principles applied at the ESCB as well as developing and implementing an Integrated Accounting System consistent with these principles

Time frame: 2000 – 2004  
 Department responsible: DOR, DIT  
 In co-operation with: NBP Head Office departments, ZUG, GOWD

28. Upgrading of the Integrated Accounting System (including its integration with the Treasury and Issue System, and SORBNET-EURO)

Time frame: 2004 – 2006  
 Department responsible: DOR, DIT, DES, DSP  
 In co-operation with: NBP Head Office departments, NBP regional branches, GOWD

29. Specifying guidelines for accounting record regarding the transfer of a portion of foreign exchange reserves to the ECB, holdings in the ECB equity and the exchange of domestic currency for the euro

Time frame: 2005-2006  
 Department responsible: DOR  
 In co-operation with: DES, DOK, DOZ, DIT

30. Defining the NBP tasks resulting from its participation in the EU's equity funds system and EU transfers

Time frame: 2004  
 Department responsible: DOR, DZ  
 In co-operation with: GP

31. Introducing an accounting module for servicing foreign operations based on principles in force in the ESCB and integrating it with the Integrated Accounting System

Time frame: 2003-2004  
Department responsible: DOZ, DIT  
In co-operation with: DOR

### *Security*

32. Adjusting the internal legal regulations and technical security infrastructure to ECB requirements

Time frame: 2000-2006  
Department responsible: DO  
In co-operation with: DES, DP

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### *Personnel*

33. Preparing a group of staff for direct liaison with the ESCB and foreign supervisory institutions

Time frame: 2000-2004  
Department responsible: DK  
In co-operation with: NBP Head Office departments, NBP and GINB organization units

## 4.2. Additional tasks in the years 2004-2006

Apart from the priority tasks additional tasks will be performed in the years 2004-2006, which will contribute indirectly to the achievement of NBP objectives, especially by improving NBP activities. The additional tasks, which have been broken down by areas to which they relate, are listed below.

### *The issue of currency*

1. Providing adequate quantity and quality of vault facilities, including the construction of the Main Vault

Time frame: 2002-2006  
 Department responsible: DES, NBP regional branches  
 In co-operation with: DA, DO, DIT

2. Developing and implementing a Cash and Issue System (SES) at the NBP

Time frame: 2003-2006  
 Department responsible: DES  
 In co-operation with: DIT, DOR, GP

3. Developing a software for Numismatic Exhibition collection

Time frame: 2003-2004  
 Department responsible: DES, DIT

### *Management of the foreign exchange reserves*

4. Implementing a new IT system for managing the foreign exchange reserves

Time frame: 2000-2004  
 Department responsible: DOZ  
 In co-operation with: DIT, DOR

5. Establishing the Middle Office

Time frame: 2004-2005  
 Department responsible: GP, DSF  
 In co-operation with: DAW, DOR, DIT, DOZ, DOK

### *Banking supervision*

6. Compiling a list of authorised credit and financial institutions in particular in the EU member states and gathering data on such institutions

Time frame: 2001-2006  
 Department responsible: GINB

### 7. Adjusting the on-site examination process to conditions issuing from Poland's entry to the EU including:

- Planning and organising of on-site examinations

Time frame: 2004-2006  
Department responsible: GINB

- Adjusting the on-site examination methodology and tools with a particular reference to consolidated supervision and the New Capital Accord

Time frame: 2004-2006  
Department responsible: GINB

- Updating of the on-site examination manual

Time frame: 2004-2006  
Department responsible: GINB

### 8. Concluding memoranda of agreements with foreign institutions of banking supervision

Time frame: 2000-2006  
Department responsible: GINB  
(Team for negotiating agreements)  
In co-operation with: DP

### 9. Developing and upgrading IT systems at the GINB and in particular:

- Developing an on-site examination support system, covering amongst others, examination of asset quality

Time frame: 2004-2006  
Department responsible: GINB  
In co-operation with: DIT

- Developing a planning and an on-site examination management system

Time frame: 2004-2006  
Department responsible: GINB  
In co-operation with: DIT

- Developing a system for supporting analyses

Time frame: 2004-2006  
Department responsible: GINB  
In co-operation with: DIT

- Developing a knowledge database

Time frame: 2004-2006  
Department responsible: GINB  
In co-operation with: DIT

- Developing a system monitoring bank exposures

Time frame: 2004-2006  
 Department responsible: GINB  
 In co-operation with: DIT

- Enhancement of the SARNA and EWIB systems.

Time frame: 2004-2006  
 Department responsible: GINB  
 In co-operation with: DIT

#### 10. Compiling regulations regarding outsourcing

Time frame: 2001-2004  
 Department responsible: GINB

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### *Development of the payment system*

11. Specifying principles for executing foreign operations by the NBP organization units, in various cross-border payment systems, including TARGET, to be in conformity with EU standards

Time frame: 2000-2004  
 Department responsible: DOZ  
 In co-operation with: DSP

### *Educational and information activities*

12. Co-ordination of publishing activities in the context of Poland's entry to the EU. Launching educational publications series

Time frame: 2003-2006  
 Department responsible: DKS, DZ

13. Modernization of tools applied by the NBP Central Library enabling the data transfer from a paper to an electronic medium using the Internet and CDs, purchase and operation of databases which ensure readers' access to the NBP Central Library Internet workstations

Time frame: 2000-2005  
 Department responsible: DKS  
 In co-operation with: DIT and an external company

### *Analytical activity*

14. Adjusting macro-economic forecasting to the ECB practices

Time frame: 2000-2004  
 Department responsible: DAMS  
 In co-operation with: BBM, DS

15. Drawing up procedures for generating reports on domestic financial markets aimed at exchange of information with the ECB

Time frame: 2004-2006  
 Department responsible: DSF, DS  
 In co-operation with: DOK

16. Analysing the impact of the Poland's adoption of the euro on the banking system, with a particular emphasis on threats to financial market stability

Time frame: 2004-2006  
 Department responsible: DSF  
 In co-operation with: GINB

17. Enhancement of analysis and forecasts for:

- evaluation of companies' conditions,
- economic activity by regions.

Time frame: 2004-2006  
 Department responsible: DS  
 In co-operation with: DAMS, GUS, GP, NBP  
 regional branches

18. Implementing a system for consumer activity research

Time frame: 2002-2004  
 Department responsible: DAMS

19. Developing a macro-econometric model of the banking sector

Time frame: 2004-2006  
 Department responsible: DSF  
 In co-operation with: DAMS, BBM

20. Analysing the impact of introducing new legal solutions to the draft EU Constitution on the operation of the ESCB central banks, including the NBP

Time frame: 2004-2005  
 Department responsible: DZ

### *Statistical activity*

21. Designing and administration of an economic database at the NBP level, containing data gathered from various sources

Time frame: 2002-2004  
 Department responsible: DS  
 In co-operation with: DAMS, DOK, DSF, DIT

22. Conducting studies with the aim to formulate requirements for a new system gathering data from banking institutions for monetary statistics purposes

Time frame: 2004  
 Department responsible: DS  
 In co-operation with: DIT

23. Applying the GESMES/CB, GESMES/TS XML standards and the N13 procedures in order to communicate and exchange data between the NBP and ECB, BIS, Eurostat, IMF and OECD

Time frame: 2004-2006  
 Department responsible: DS, DIT  
 In co-operation with: NBP organisational units which will transfer the statistical data

24. Conducting studies with the aim to formulate requirements for a new reporting system for balance of payments purposes, based on a direct examination of enterprises

Time frame: 2005-2006  
 Department responsible: DS

25. Developing a Transferable Debt Instruments Database, and a treasury securities database in particular, compliant with the ECB recommendations concerning the scope of information and methods of forwarding data to the ECB

Time frame: 2003-2006  
 Department responsible: DOK, DSF  
 In co-operation with: DIT

26. Improving methods of estimating data gathered indirectly as well as other statistical methods used for compiling statistical information

Time frame: 2004-2005  
 Department responsible: DS

27. Developing and implementing survey polls of:

- banking institutions
- level of economic activity within the banking sector

Time frame: 2003-2005  
 Department responsible: DS, DSF  
 In co-operation with: NBP regional branches, DAMS

*International co-operation*

28. Developing and implementing detailed procedures for circulating, providing opinions and approving documents received from and forwarded to the ECB

Time frame: 2003-2004  
 Department responsible: DZ  
 In co-operation with: GP, DP, DIT

*Administration*

29. Compiling archival and non-archival documents of the NBP Head Office, ZUG and GINB taken over from the Archives of the NBP Regional Branch in Warsaw

Time frame: 2001-2005  
 Department responsible: DA  
 In co-operation with: NBP Regional Branch in Warsaw

*Information Technology*

30. Establishing and developing the Centre for Monitoring and Management of the Telecommunications and IT System

Time frame: 2000-2004  
 Department responsible: DIT  
 In co-operation with: DO

31. Implementing modern technological solutions for the NBP Internet service

Time frame: 2001-2004  
 Department responsible: DIT and DKS  
 In co-operation with: an external company

32. Upgrading software necessary to implement an internal audit function:

- Applying security measures to prevent unauthorised access to information resources serviced by the internal audit IT system
- Upgrading the internal audit system to include functions enabling automation of audit planning activities

Time frame: 2004-2005  
 Department responsible: DIT, DAW

*Security*

33. Developing and implementing internal regulations derived from the NBP security policy

Time frame: 2002-2006  
 Department responsible: DO  
 In co-operation with: DIT

*Internal audit*

34. Adjustment of DAW activities aiming at co-operation with the ECB Audit Committee within the ESCB framework

Time frame: 2003-2005  
 Department responsible: DAW  
 In co-operation with: DP, DIT, ECB Audit Committee, internal audit departments of ESCB central banks

35. Enhancing DAW activities in conformity with the recommendations of the 2003 IMF mission

Time frame: 2004  
 Department responsible: DAW  
 In co-operation with: DIT

36. Developing a detailed risk assessment methodology for the purposes of planning the NBP internal audits, based on the findings of the Commission for Developing an NBP Risk Management System and the audit methodology adopted by the ECB Audit Committee

Time frame: 2004-2005  
 Department responsible: DAW

*Personnel*

37. Modification of principles of the NBP Personnel policy

- Developing new recruitment procedures at NBP

Time frame: 2003 – 2004  
 Department responsible: DK

- Developing new procedures for periodic evaluations of NBP staff and employee qualifications ratings

Time frame: 2003 – 2004  
 Department responsible: DK

- Developing job descriptions, job valuations and employee remuneration rules

Time frame: 2003 – 2004  
Department responsible: DK

- Determining the NBP staffing needs resulting from its membership in the ESCB and in the context of the adoption of the euro

Time frame: 2003 – 2004  
Department responsible: DK

#### 38. Developing a support system for the NBP staff members employed at the ECB

Time frame: 2004-2005  
Department responsible: DK  
In co-operation with: GP

#### 39. Developing and implementing at the NBP an Competence Management System

Time frame: 2002-2005  
Department responsible: DK  
In co-operation with: departments, organisational units of the NBP and GINB

#### 40. Developing professional career paths for the NBP employees

Time frame: 2002-2006  
Department responsible: DK  
In co-operation with: departments, organisational units of the NBP and GINB

### *Organisation and planning*

#### 41. Implementing a risk management system at the NBP and developing a methodology of process describing

Time frame: 2004 –2006  
Department responsible: DAW, DOK, DOZ, DSP, DIT, DES, DSF, DO, DOR, GINB

#### 42. Developing and implementing an internal information exchange system at the NBP

Time frame: 2004 – 2008  
Department responsible: GP, DIT  
In co-operation with: NBP Head Office departments, NBP regional branches and GINB

#### 43. Enhancing a cost budgeting system for NBP activities

Time frame: 2004  
Department responsible: DOR  
In co-operation with: NBP Head Office departments, GINB, NBP organisational units

44. Updating the NBP policy towards the companies where the NBP has its holdings in, i.e. BSB, Centrast, KDPW and KIR

Time frame: 2004  
 Department responsible: DOR, DIT, DSP  
 In co-operation with: NBP Head Office departments and NBP regional branches

45. Enhancing an Intranet internal information system, including:

- providing the NBP employees with the access to the NBP internal information via an internal network;
- implementing solutions which are necessary for editing and administering intranet service.

Time frame: 2002-2004  
 Department responsible: DKS, DIT  
 In co-operation with: NBP Head Office departments

46. Developing strategic planning, including project management

Time frame: 2004-2006  
 Department responsible: GP  
 In co-operation with: NBP Head Office departments

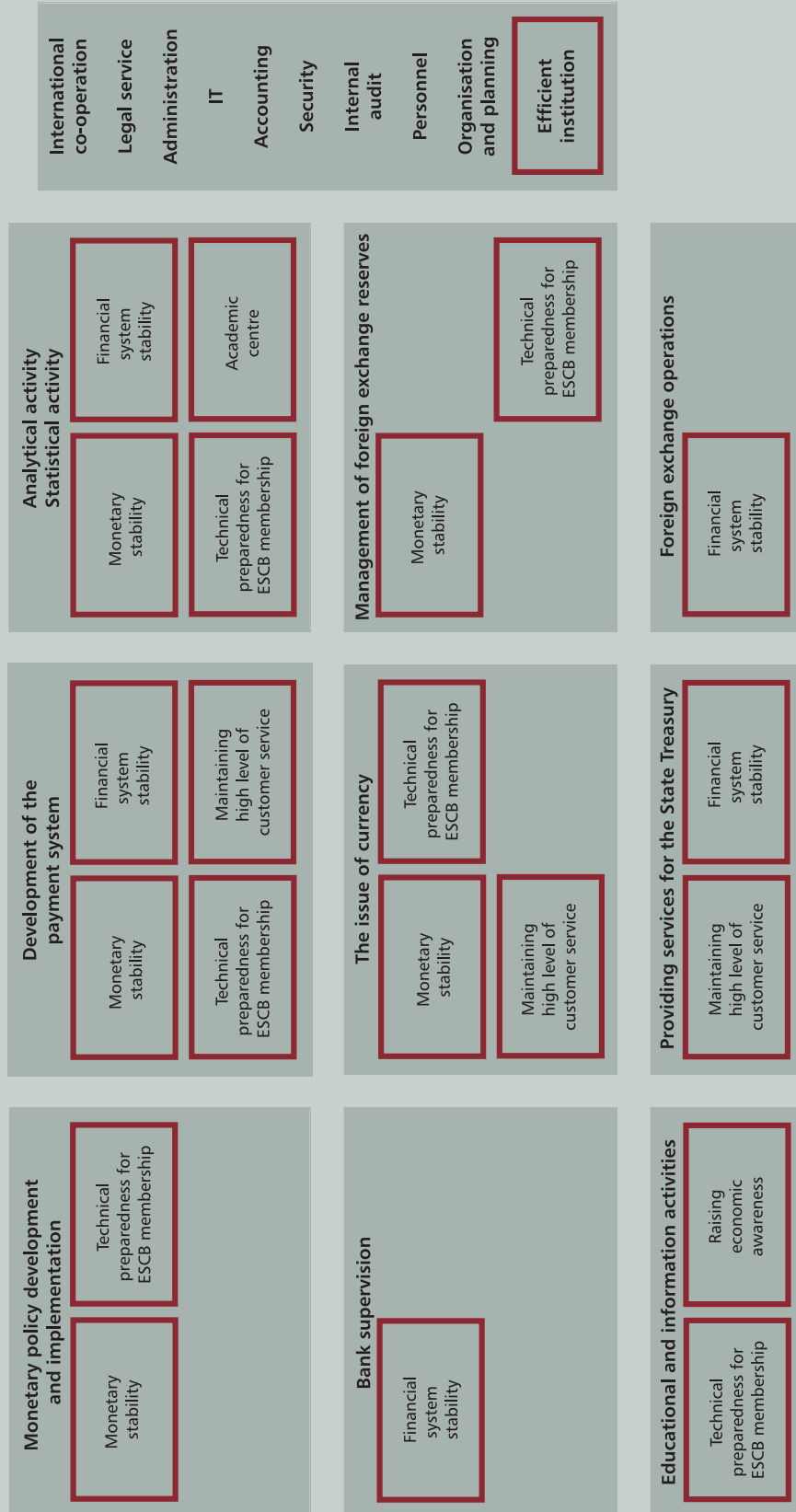
47. Developing and implementing organisational changes at the NBP in the context of its full membership in the ESCB

Time frame: 2006  
 Department responsible: GP  
 In co-operation with: NBP Head Office departments, NBP organisational units

48. Renewing the ISO 9001:2000 certificate validity within the electronic banking system

Time frame: 2006  
 Department responsible: GP  
 In co-operation with: NBP Head Office departments and NBP organisational units

## CHART OF NBP ACTIVITY Areas of activity and targets



## PRIORITY TASKS NECESSARY FOR REACHING TARGETS AND ADDITIONAL TASKS

## Implementation schedule

Name of Task	99	00	01	02	03	04	05	06	07	08	09
<b>1. THE EUROPEAN UNION</b>											
1.1. Adjusting the NBP infrastructure to EU security requirements of the RTGS system and other key systems operated by the NBP (in particular SKARBNET and SEBOP)											
1.2. Bringing monetary statistics in line with EU requirements											
1.2.1. Compiling a list of monetary financial institutions (MFIs) for statistical purposes – determining their institutional scope											
1.2.2. Implementing modifications to the reporting system of monetary financial institutions in line with ECB requirements regarding balance sheet statistics, transaction statistics and interest rate statistics											
1.2.3. Expanding statistical research on monetary statistics to include new areas											
1.2.3.1 Statistics of structural indices of credit institutions											
1.3. Adjusting the balance of payments statistics to EU requirements											
1.3.1. Introducing a new system of bank reporting to the balance of payments											
1.4. Adjusting financial planning to ESBC requirements											
1.5. Introducing an accounting module for servicing foreign operations based on principles in force in the ESCB and integrating it with the Integrated Accounting System											
1.6. Defining the NBP tasks resulting from its participation in the EU equity funds system and EU transfers											
1.7. Preparing a group of staff for direct liaison with the ESCB and foreign supervisory institutions											
<b>2. ERM II</b>											
2.1. Preparing the Polish currency for participation in the Exchange Rate Mechanism II (ERM II)											
2.1.1. Developing the operational and organisational framework for interventions in the foreign exchange market under ERM II											
2.1.2. Macro-economic analyses											
2.1.2.1. Estimate of the central parity under the ERM II based on equilibrium exchange rate models											
2.1.2.2. Assessing effectiveness of the monetary policy transmission mechanism under ERM II											
2.1.2.3. Effectiveness of interventions in the foreign exchange market under a quasi-fixed exchange rate regime											
2.1.2.4. Analysis of threats linked to ERM II participation with the aim to determine the optimum macro-economic policy under that mechanism											
<b>3. THE EURO AREA</b>											
3.1. Estimate of the final zloty to euro exchange (conversion) rate based on equilibrium exchange rate models											
3.2. Adjusting money market instruments and monetary policy implementation procedures to ECB requirements (developing legal regulations and IT systems)											
3.2.1. Within the framework of open market operations											
3.2.2. Within the framework of reserve requirement											
3.2.3. Preparing the NBP for participation in the ESCB collateral management system											
3.2.4. Developing procedures for daily reporting to the ECB on banking sector liquidity											
3.3. Work on the inclusion of the NBP in the Correspondent Central Bank Model (CCBM)											
3.4. Extending the list of eligible collaterals for credit operations with the central bank											
3.5. Introducing euro notes and coins and withdrawing domestic notes and coins from circulation											
3.5.1. Preparing euro coins with the country – specific side and ensuring a supply of euro currency in amounts necessary for maintaining the liquidity of cash settlements within the territory of the Republic of Poland											
3.5.2. Developing and executing a logistic project regarding the distribution of the euro currency and smooth withdrawal from circulation and destruction of the domestic currency											
3.5.3. Preparing appropriate legal regulations applicable to the NBP and commercial banks in respect of the change-over											
3.6. Developing procedures for issuing commemorative coins and collector's coins following Poland's adoption of the euro											
3.7. Adjusting the regulations concerning cash and vault operations to ECB regulations											
3.8. Determining the adequate currency structure of foreign exchange reserves in anticipation of Poland's entry in the euro area											

## Implementation schedule cont'd

Name of Task	99	00	01	02	03	04	05	06	07	08	09
3.9. Transferring a portion of reserve holdings to the ECB for management											
3.9.1. Developing procedures for direct cooperation with the ECB in managing of the ECB foreign exchange reserve holdings											
3.9.2. Implementating IT system to manage a portion of ECB foreign exchange reserves											
3.10. Introducing new technological solutions within the SORBNET system											
3.10.1. Preparing the SORBNET-EURO system for indirect participation in the TARGET system											
3.10.2. Undertaking adjustment measures for participation in TARGET 2											
3.11. Preparing and conducting an information campaign to publicise the information about the EMU to the general public and within the banking sector and to promote positive attitudes towards the euro											
3.12. Participating in basic research carried out within ESCB, including co-operation in the area of economic analysis and forecasts											
3.13. Analysing the impact of the euro changeover on the NBP profit and loss account											
3.14. Bringing monetary statistics in line with EU requirements											
3.14.1. Expanding statistical research on monetary statistics to include new areas											
3.14.1.1. Statistics for macro-supervisory analysis purposes											
3.14.1.2. Statistics of remaining financial intermediaries											
3.14.2. Compiling quarterly data regarding financial accounts in conformity with ECB requirements											
3.14.3. Forwarding statistical information on the central and general government sector, developed on the basis of data obtained from the Ministry of Finance and the Central Statistical Office, and in conformity with ECB requirements											
3.14.4. Determining the scope of necessary modifications to the reporting system of monetary financial institutions (geographic and currency break-downs) posed by EU enlargement by new member countries in May 2004											
3.15. Adjusting the balance of payments statistics to EU requirements											
3.15.1. Developing and implementing a statistical system for generating information on portfolio investments for balance of payments purposes, in accordance with new ECB requirements											
3.16. Adjusting real economy statistics to EU requirements											
3.16.1. Forwarding to the ECB statistical information on the real economy, compiled on the basis of public statistics data											
3.17. Amending the Act on the National Bank of Poland in accordance with regulations in place in the EU in connection with Poland's entry to the euro area											
3.18. Developing a telecommunications and IT infrastructure that complies with the requirements of the ESCB IT system, including:											
3.18.1. Assembling the ESCB WAN nodes in the COK-L and SOK computer centres											
3.18.2. Assembling ESCB-NET network nodes in COK-L and SOK computer centres											
3.18.3. Assembling a dedicated telephony system as a part of the ESCB teleconferencing system											
3.19. Adjusting NBP accounting and reporting principles to the accounting principles applied at the ESCB as well as developing and implementing an Integrated Accounting System consistent with these principles											
3.20. Upgrading of the Integrated Accounting System (including its integration with the Treasury and Issue System, and SORBNET-EURO)											
3.21. Specifying guidelines for accounting record regarding the transfer of a portion of foreign exchange reserves to the ECB, holdings in the ECB equity and the exchange of domestic currency for the euro											
3.22. Adjusting the internal legal regulations and technical security infrastructure to ECB requirements											
<b>4. TASKS NOT CONNECTED WITH EUROPEAN INTEGRATION</b>											
4.1. Preparing the GINB, in professional, organisational and infrastructure terms, for the implementation of the New Capital Accord											
4.2. Establishing and continuous updating of the NBP Portal for Economic Education											
4.3. Revising reporting principles regarding the balances in central government accounts											
4.4. Developing and launching the software to operate the central current account of the central government as defined in the Public Finance Act											
4.5. Developing an early warning system against currency crises											