

Box 2 Criteria for central bank independence

<i>Criterion (weight in total score)</i>	<i>Scores</i>	
The extent to which statutory objectives provide the central bank with a clear focus on price stability (1)	10.0	Only goal is price stability
	7.5	Sole goal together with financial stability and non-conflicting monetary stability objectives
	5.0	Price stability and incompatible goals
	2.5	No formal goals
	0.0	Other goals than price stability
The extent to which the central bank determines the setting of policy targets (1)	10.0	Central bank decides alone or monetary policy has no explicit goals
	5.0	Joint decision of central bank and government
	0.0	Central bank has no role in decisions
The extent to which the central bank determines the adjustment of monetary policy instruments (2)	10.0	Central bank decides alone
	6.7	Central bank decides alone but a government representative attends decision meetings as an observer
	3.3	Central bank and government have a role in decisions
	0.0	Central bank role in decisions is limited
The extent to which treasury funding through the central bank is prohibited (2)	10.0	Prohibited, never used or negligible sums involved
	7.5	Narrow, well enforced limits exist
	5.0	Limits exist that are usually enforced
	2.5	Wide limits exist
	0.0	No limits or little enforcement
The length of the governor's term of office (0.5)	10.0	8 years or above
	8.6	7 years
	7.1	6 years
	5.7	5 years
	4.3	4 years
	2.9	3 years
	1.4	Term of office beyond 3 years not guaranteed