



## Conference on Donor Co-ordination in the Western Balkans and Turkey

### Talking Points for SPI Albania Secretariat intervention

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#### A. Context: Convergence Program Contribution

##### 1. Convergence Program

The World Bank's Convergence Program helps create a country institutional infrastructure with incentives and skills (analytical, consultative and implementation) to support large-scale financial sector modernization programs. This objective is inspired from the role played by the European Central Bank to catalyze collaborative EU financial integration activities.

SPI (Special Projects Initiative) is the platform that Convergence Program builds, operates and transfers to local ownership and responsibility.

Our vision is that the SPI Platform grows as a local financial modernization hub, facilitating programmatic focus, donor coordination, local capacity-building and strong result orientation.

##### 2. The Build-Operate-Transfer Phases

###### Build

We help create the local consensus to launch a financial modernization program under the oversight of a public-private steering committee. We select, hire and train the SPI Secretariat and we prepare the tailored governance framework of the public-private partnership.

###### Operate

We guide the SPI Secretariat to: 1) collect ideas for an activity program through broad consultations; 2) prepare a balanced proposal for SPI Committee consideration; 3) prepare the ToRs for the approved projects; 4) assemble the project working groups; 5) work through the Better Regulations steps to move from a problem to proposed solutions; 6) prepare documents with recommendations for SPI Committee endorsement; 7) support enactment monitoring activities (result orientation).

###### Transfer

We work with the local community to create the conditions for their eventual responsibility, both operationally and financially, for the SPI Platform activities. It involves issues of governance of the public-private partnership, selection of the local management team, strengthening of links with other local institutions and the donor community to continue the work and identification of funding sources for its activities.

## B. SPI Platform Performance Indicators

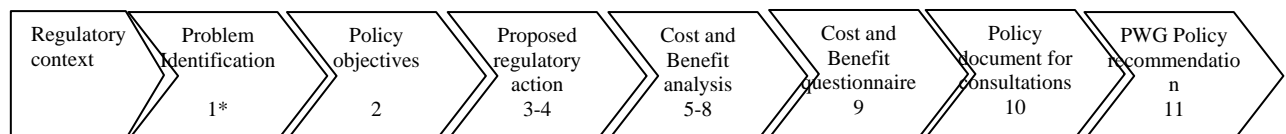
**1. Annual budget of an SPI platform** – about EUR 100,000 that is translated in about EUR 10,000/project.

### 2. Partnership mobilization

- 27 private institutions (out of which 16 banks and 9 other professional consultants and other companies) and 6 public institutions
- 60 experts from private institutions and 15 from public institutions
- Value of in kind contribution of the local stakeholders in 2008: opportunity cost for 75 experts participating in 4 projects with 4 meetings per project of 2 hours average duration per meeting
- Donor support in Romania and Albania – as technical assistance, peer reviewing and project working group membership: IFC, WB, EBRD, EURALIUS.

### 3. EU Better Regulation Project Management

===== *Scoping of Problem* ===== || ===== *Analysis Of Impact* ===== || = *Policy Consultation* = || = *Conclusion* =



### 4. SPI Albania 2009 10-project activity program

- Enhancing banks' liquidity risk management
- Revising regulatory act on Execution of Procedures on Bank accounts
- Revising Public Procurement Law
- Unique and rationalized reporting system
- Revising Foreign Currency Open Position
- Preparing a feasibility study for a central depository
- Loan loss provisioning under IFRS
- Establishment of a national settlement scheme for payments in foreign currency
- Expansion of the credit bureau services - database for businesses
- Expansion of the credit bureau services - scoring cards for individuals

## C. Various modes of donor interaction with SPI Platform

### Program setting

- Follow-on of past projects requiring better implementation features
- Components of donor-managed projects that SPI Platform could process
- New priority projects that SPI Platform should focus on

### Program execution

- Participation of donor staff in project working groups
- Assignment of donor-hired experts to support project working groups



- Assignment of donor-hired experts to handle projects with project working group support for validation of solution feasibility within local context
- Assistance and support in enactment activities with additional analytical evidence

#### SPI Secretariat

- Secondment of donor-hired full-time analytical person to expand project processing capabilities (one person can support about 4 projects/year)

#### **D. Advantages for donors from supporting SPI Platform activities**

- Ex-ante approval of a programmatic framework decided by high-level public and private partners means higher likelihood of leading to practical results quickly.
- Coordination between public and private partners and of the various initiatives brings more synergies among projects.
- High leverage of foreign expertise, intervening only to fill local knowledge gaps
- Projects are largely executed by local experts that helps build local analytical and consensus-building capacities
- Seconding full-time analytical experts to SPI Secretariat strengthens local institutional mechanism for ownership and coordination.

#### **E. Examples of immediate donor engagement opportunities with SPI Albania**

##### **1. Other SPI 2009 projects that could be supported by donors**

- The creation of a complete regulatory framework on the merger and acquisitions of banks
- Modernization of the moveable collateral registries
- Better functioning of Electronic Register of Commerce
- Facilitating leasing transactions
- Facilitating lending to PPPs
- Guarantees for SME lending
- Increase in the number of specialized courts
- Facilitating lending to tourism

##### **2. Intervention modalities**

- Projects approved ex ante by SPI Committee
- Donor-hired experts to be supported by SPI Project Working Groups and SPI Secretariat to deliver implementable recommendations over a 3-month period for SPI Committee endorsement and subsequent transmission to relevant enacting authority
- Use of standard SPI Albania project processing methodologies (EU Better Regulation)

#### **F. Other donor engagement regional opportunities with SPI Platforms**

Donors could support the transfer of the Albanian experience in the region by promoting the establishment of SPI Platforms in neighbouring countries. This would create a network of SPI Platforms to facilitate harmonized financial modernization processes with benefits of strong scale approach.