



PRESENTATION OF THE SPI ALBANIA MODERNIZATION PLATFORM

SPI Albania Secretariat
European University of Tirana
January 15, 2009



Agenda

I. SPI Albania Structure and Project Management

II. SPI Albania Projects

Projects Concluded

- a. The Impact of IFRS Implementation on the Banking Regulations
- b. Improving Auction Procedures for Immovable Collateral Under Foreclosure

Current Projects

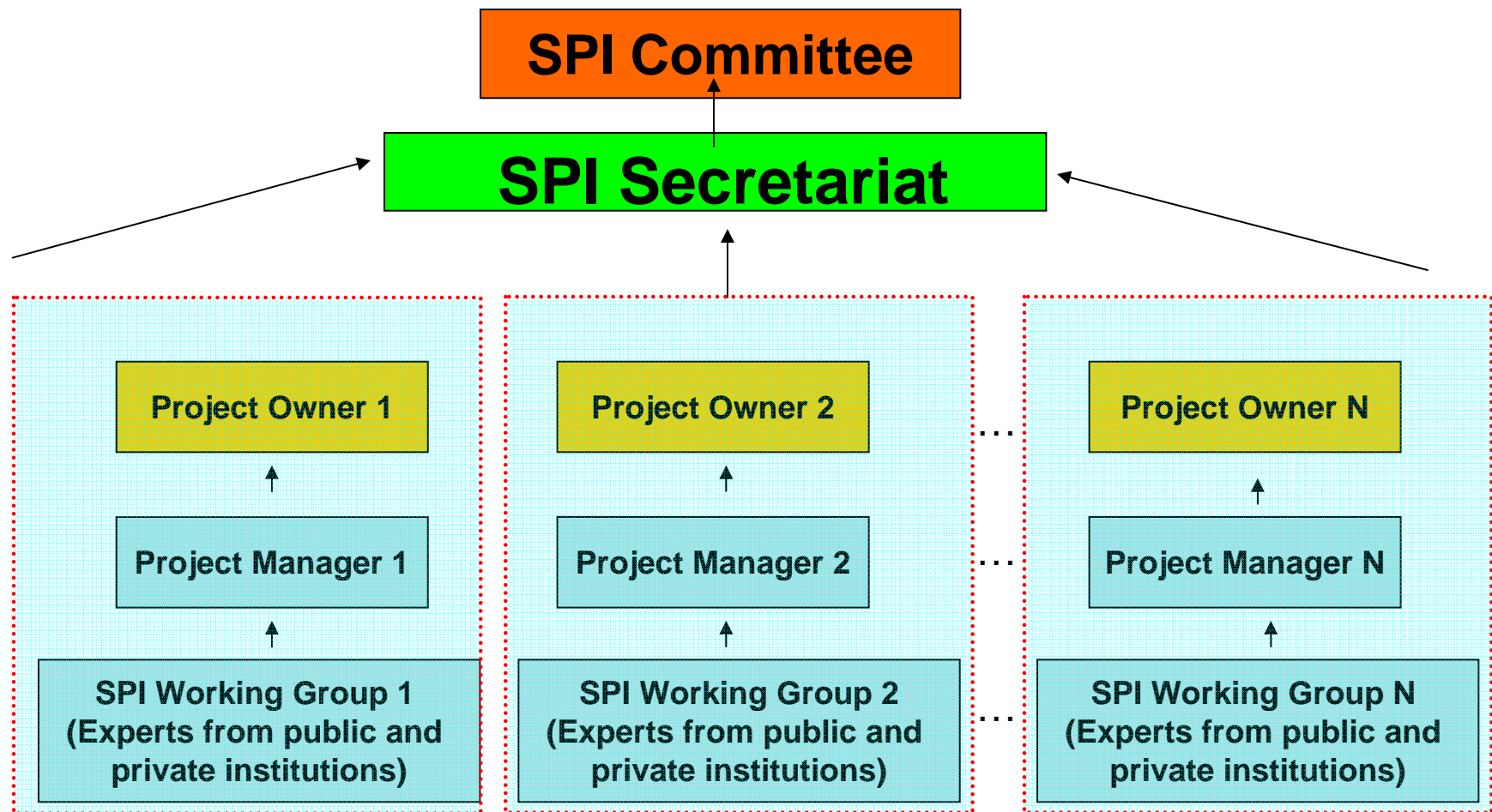
- c. Reducing Cash Transactions
- d. Reviewing the Capital Adequacy Regulation
- e. Consumer Financial Education



I. SPI Albania Structure and Project Management



I. SPI ALBANIA STRUCTURE AND PROJECT MANAGEMENT



SOLUTION FINDING (Based on public-private consultations through RIA)



I. SPI ALBANIA STRUCTURE AND PROJECT MANAGEMENT

- PROJECT WORKING GROUPS
 - **Project Management Team**
 - **Composition & responsibilities:**
 - **Project Owner** - represents the main stakeholder at top management level and ensures the project oversight;
 - **Project Manager** – is appointed by the Project Owner (usually out of the PO's institution management staff) and ensures the management of the day-to day activities;
 - **Deputy Project Manager(s)** – represent(s) the other main stakeholder(s) and second(s) the Project Manager in coordinating the day-to-day activities.
 - **Project Working Group**
 - **Composition:** representatives of all stakeholders, with specific expertise profiles.
 - **Responsibilities:**
 - » Attending the meetings;
 - » Actively participating in the meetings;
 - » Providing individual contributions (their institutions' experience, parts of documents);
 - » Validation of RIA questionnaire;
 - » Providing data/filling in questionnaires;
 - » Validation of RIA findings;
 - » Approval of position/policy documents;
 - » Supporting enactment activities.



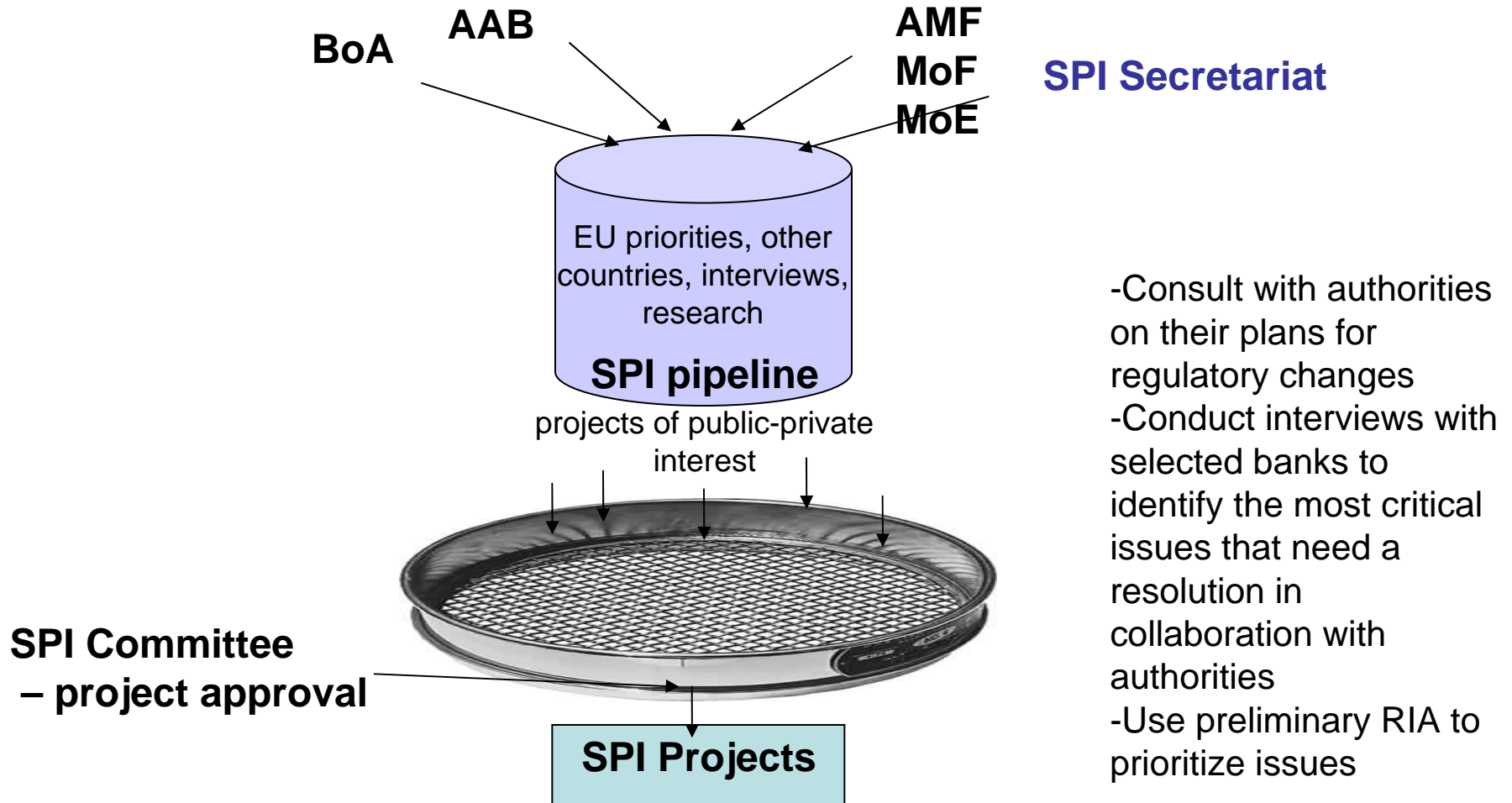
I. SPI ALBANIA STRUCTURE AND PROJECT MANAGEMENT

- PROJECT PLANNING and PWG GATHERING
 - **ToRs drafting:**
 - background information – interviews with stakeholders and research;
 - project objective;
 - strategy;
 - methodology (steps, output, contributions)
 - **Drafting list of stakeholders**
 - **In PWG composition in cooperation with AAB – a fair representation of big, medium and small banks**
 - **Drafting, getting signatures and sending invitation letters**



I. SPI ALBANIA STRUCTURE AND PROJECT MANAGEMENT

1. Issue identification and selection



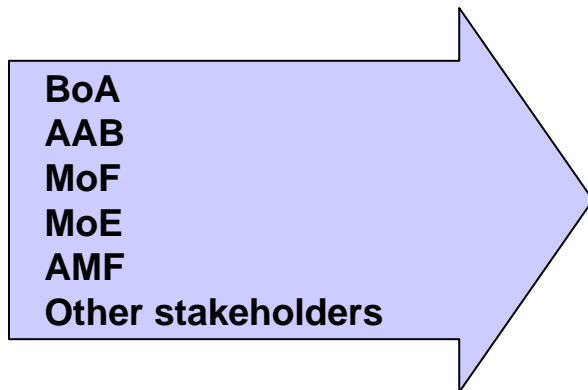


BANK OF ALBANIA



II. SPI ALBANIA PROJECT MANAGEMENT

2. Solution searching



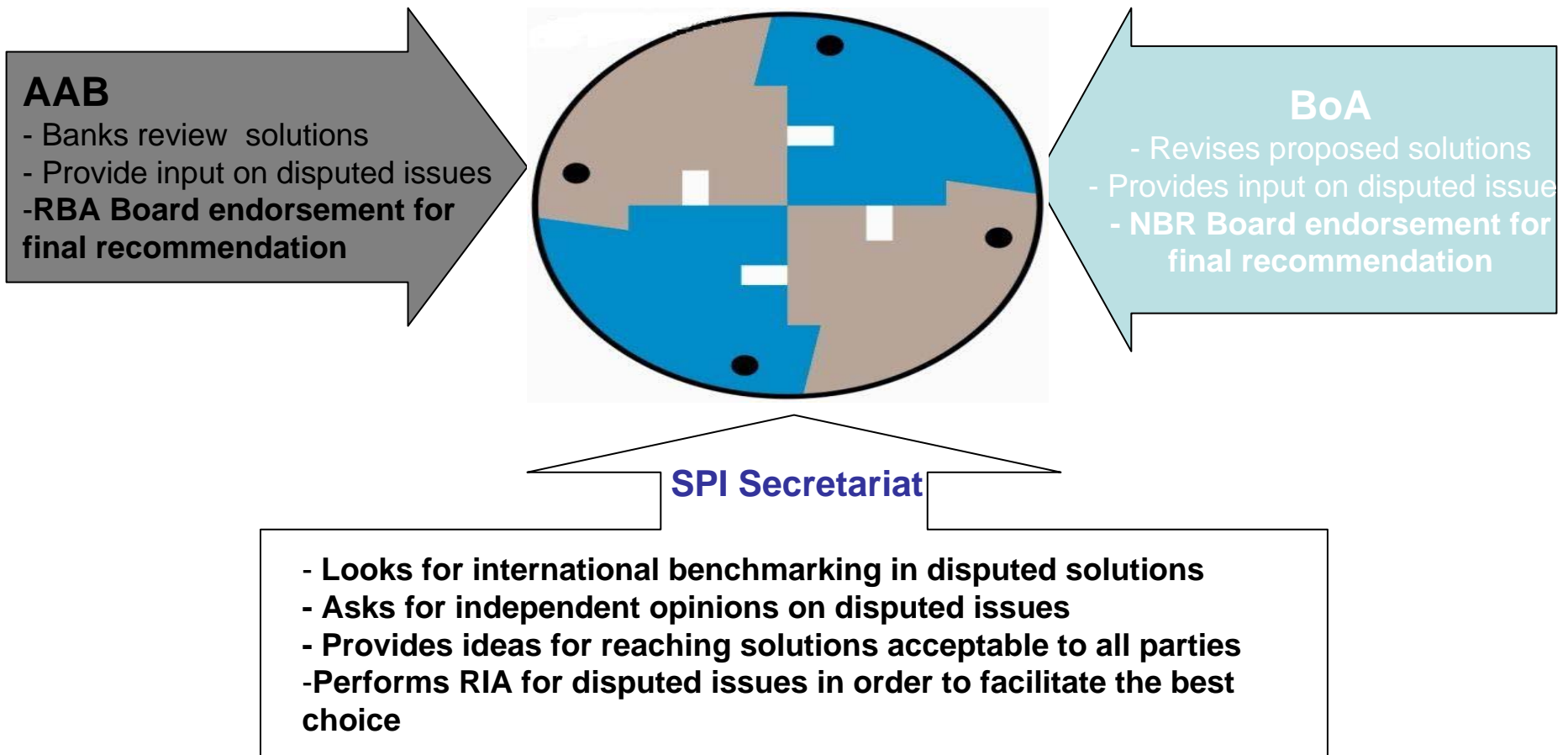
- Experts for PWG
- Support for data collection and consultations
- RIA findings validation

- Identifies the needed expertise
- Searches for solutions in international experience /EU legislation
- Identifies the needs for international/local consultants
- Arranges for the consultants' support
- Prepares documents for discussions
- Drafts RIA questionnaire (as part of the RIA)
- Collects data and performs RIA calculations
- Organizes seminars and other supporting events
- Collects feedback from SPI stakeholders
- Collects and aggregates individual contributions
- Prepares documents presenting the solutions



I. SPI ALBANIA STRUCTURE AND PROJECT MANAGEMENT

3. Consensus building





I. SPI ALBANIA STRUCTURE AND PROJECT MANAGEMENT

4. Solution enactment



BoA, AAB and **SPI Secretariat** coordinate actions under a full range of SPI projects

SPI Secretariat

- Prepares the law / regulations enactment packages
- Prepares SPI Committee letters to the legislative initiator or to the BoA Board for BoA regulations
- Provides detailed description of RIA to the legislative initiator or to the BoA Board
- Follows up with the legislative initiator
- Notifies BoA on the initiation of the public consultation process
- Sends SPI Secretariat submission under the public consultation process
- Arranges and/or attends the meetings with institutions involved in the enactment process
- Prepares other documents as required by the legislative initiator



II. SPI Albania Projects

- a. Completed: The Impact of IFRS Implementation on the Banking Regulations
- The project is concluded with the approval from the PWG of the final document on Amending the Banking Regulations for IFRS Implementation.
 - SPI Committee approved the PWG Recommendations as presented during the SPI Committee meeting, November 2008. The Recommendations were sent by the Governor to the respective BoA department which is currently working on individual regulations.



a. The Impact of IFRS Implementation on the Banking Regulations Outputs

- Project Terms of Reference;
- The implementation of IFRS 1-First time adoption, in Albania;
- Note on the Albanian Legal Framework;
- Note on the European Experience in implementing IFRS;
- Note on the impact of IFRS implementation on banking regulations: Some of the main changes brought in Europe by implementing IFRS.
- Note on the European Experience in applying IFRS, sent to NAC;
- Report on Main Findings of the Survey on Banks readiness to IFRS;
- Inventory of Banking Supervision framework: categorized according to the depth of change and importance of amendment;
- Inventory of Banking Supervision framework: Specific issues of each regulation affected by the IFRS implementation and the sense of changes;
- Scoping of the Problem document;
- PWG Recommendation Document



II. SPI Albania Projects

b. Completed: Improving Auction Procedures for Immovable Collateral Under Foreclosure

- The PWG has approved the final PWG position document on the bailiff service and on CPC amendments.
- SPI Committee approved the PWG Recommendations as presented during the SPI Committee meeting, November 2008 and forwarded them to the respective institutions.
- On December 11, and 29, the Draft Law on the liberalization of the Bailiff services and the Civil Procedure Changes were respectively approved by the Parliament.



b. Improving Auction Procedures for Immovable Collateral Under Foreclosure

Outputs

- Project Terms of Reference
- Note on Enforcement of Collateral
- Note on International Bailiff Experience
- Questionnaire on Bank's Difficulties in Dealing with the Bailiff Office
- Aggregated individual contributions on the CPC and PWG Proposals
- EBRD Albanian Mortgage Enforcement External Memo
- Regulatory Impact Assessment Questionnaire Main findings
- PWG Recommendations on Improving Bailiff Service
- PWG Recommendations on CPC Amendments



I. SPI Albania Projects

c. Current: Reducing Cash Transactions

Status:

- The Cost-Benefit Analysis is being run for Banks, Shops, Utility Companies, professionals etc.



c. Reducing Cash Transactions

Outputs

- ✓ Project terms of reference agreed
- ✓ Presentation by the Italian Association of Banks (ABI) on their initiative in reducing cash transactions.
- ✓ PWG agreed on Scoping the Problem document
- ✓ PWG approved the Cost-Benefit Questionnaire
- ✓ PWG approved the note on International Experience



c. Reducing Cash Transactions

EUT Involvement

- ✓ Running the Questionnaire - Actual
- ✓ Data Entry
- ✓ Data Processing



I. SPI Albania Projects

d. Current: Reviewing Capital Adequacy Regulation

Status:

- The SPI Secretariat is Assessing possible changes on the Baseline of Capital Adequacy Framework.



d. Reviewing the Capital Adequacy Regulation

Outputs

- ✓ Project terms of reference agreed
- ✓ PWG agreed on Scoping the Problem document
- ✓ PWG approved the Cost-Benefit Questionnaire
- ✓ PWG approved the qualitative cost-benefit analysis.



d. Reviewing the Capital Adequacy Regulation

EUT Involvement

- ✓ Assisting in data collection from the second level banks
- ✓ Data Entry
- ✓ Data Processing



I. SPI Albania Projects

e. Current: Consumer Financial Education *Status:*

- The PWG is formed and SPI Secretariat is preparing for the first meeting



d. Reviewing the Capital Adequacy Regulation

EUT Involvement

- ✓ Researching Regional Experiences in Consumer Financial Education and its impact
- ✓ Developing Creative Solutions for Civil Society to Follow up