



# CONFERENCE ON SPI ALBANIA – ONE YEAR SINCE ITS INCEPTION

Tirana, January 23, 2009



# Agenda

## I. SPI Albania Achievements

- a. SPI Albania Platform
  - i. SPI Albania Project Management
  - ii. SPI Albania Methodology
- b. IFRS Implementation Project
- c. Foreclosure Procedures Project
- d. Progress Report on Reducing Cash Transactions Project

## II. SPI Albania Current Status and Prospects

- a. SPI Albania Progress Report on Projects on capital adequacy and consumer financial education
- b. SPI Albania Evaluation
- c. SPI Albania Next Steps



# I. SPI Albania Achievements

## a. SPI Albania Platform

- i. Project Management
- ii. Methodology

**Conference on SPI Albania – One Year since Its Inception  
Tirana, January 23, 2009  
SPI Albania Secretariat**



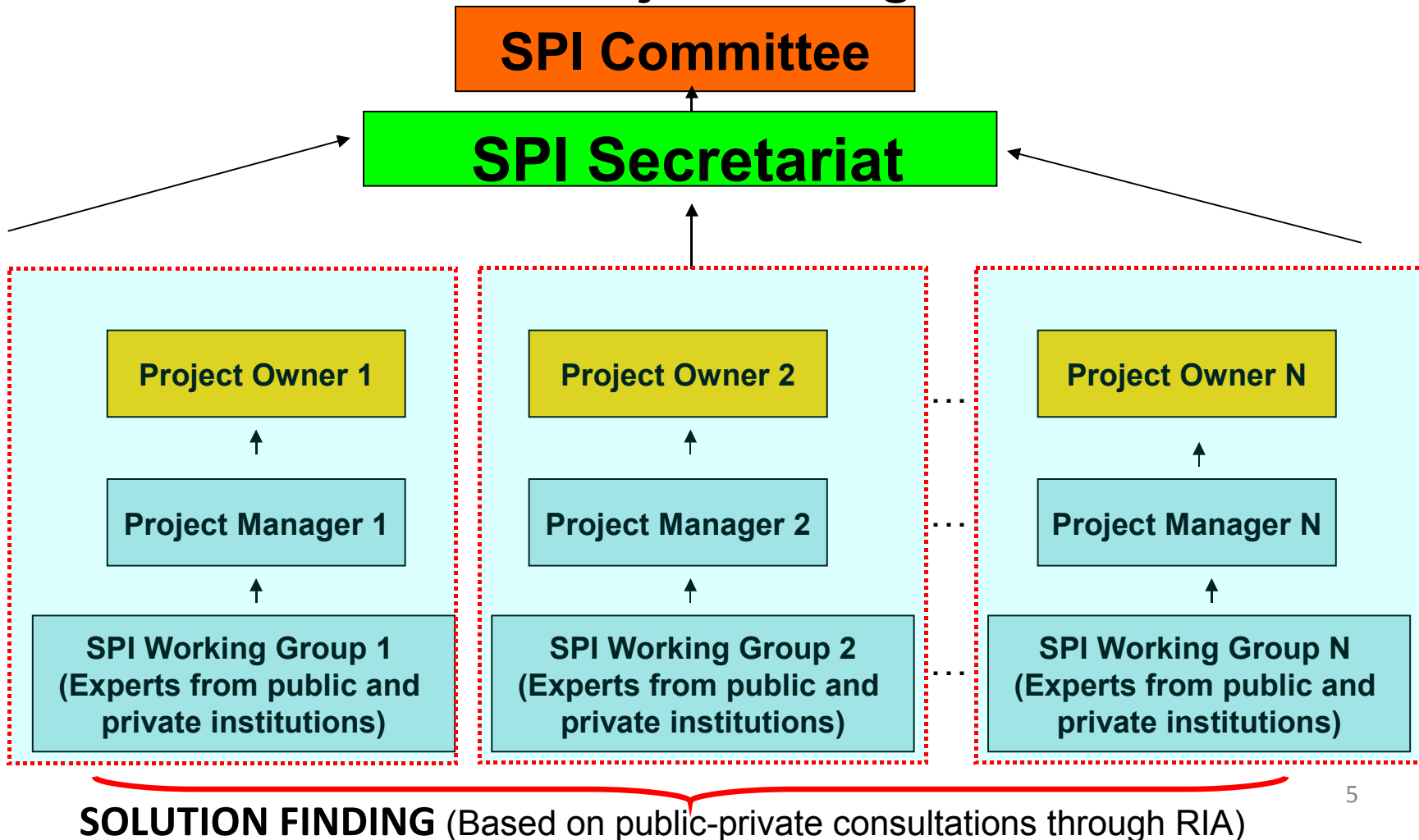
# a. SPI Albania Platform

## i. Project Management

**Conference on SPI Albania – One Year since Its Inception**  
**Anuela Ristani, Director of Operations**  
**Tirana, January 23, 2009**  
**SPI Albania Secretariat**

# a. SPI Albania Platform

## i. Project Management





# a. SPI Albania Platform

## i. 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.



## **a. SPI Albania Platform**

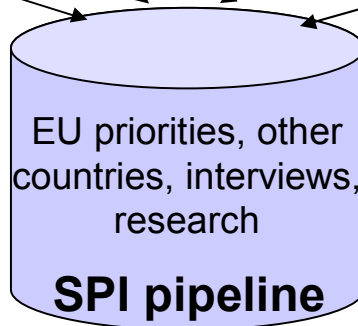
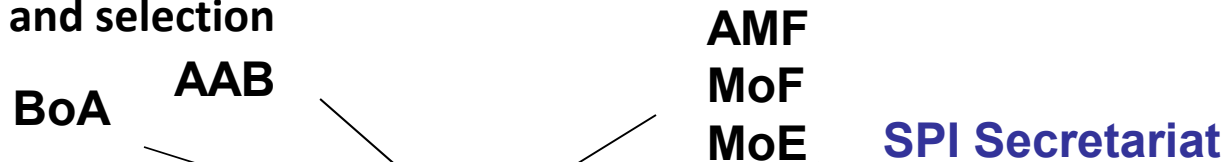
### **i. Project Management**

- **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**

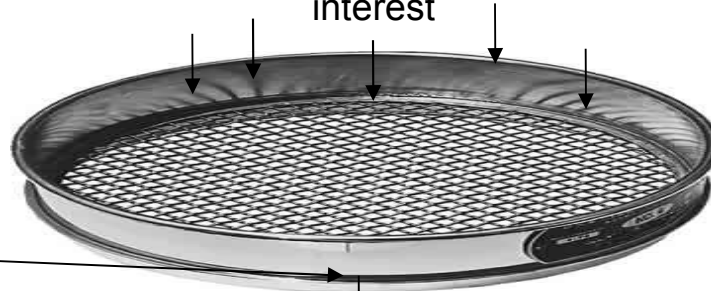
# a. SPI Albania Platform

## i. Project Management

### 1. Issue identification and selection



projects of public-private interest



**SPI Committee**  
– project approval



- Consult with authorities on their plans for regulatory changes
- Conduct interviews with selected banks to identify the most critical issues that need a resolution in collaboration with authorities
- Use preliminary RIA to prioritize issues

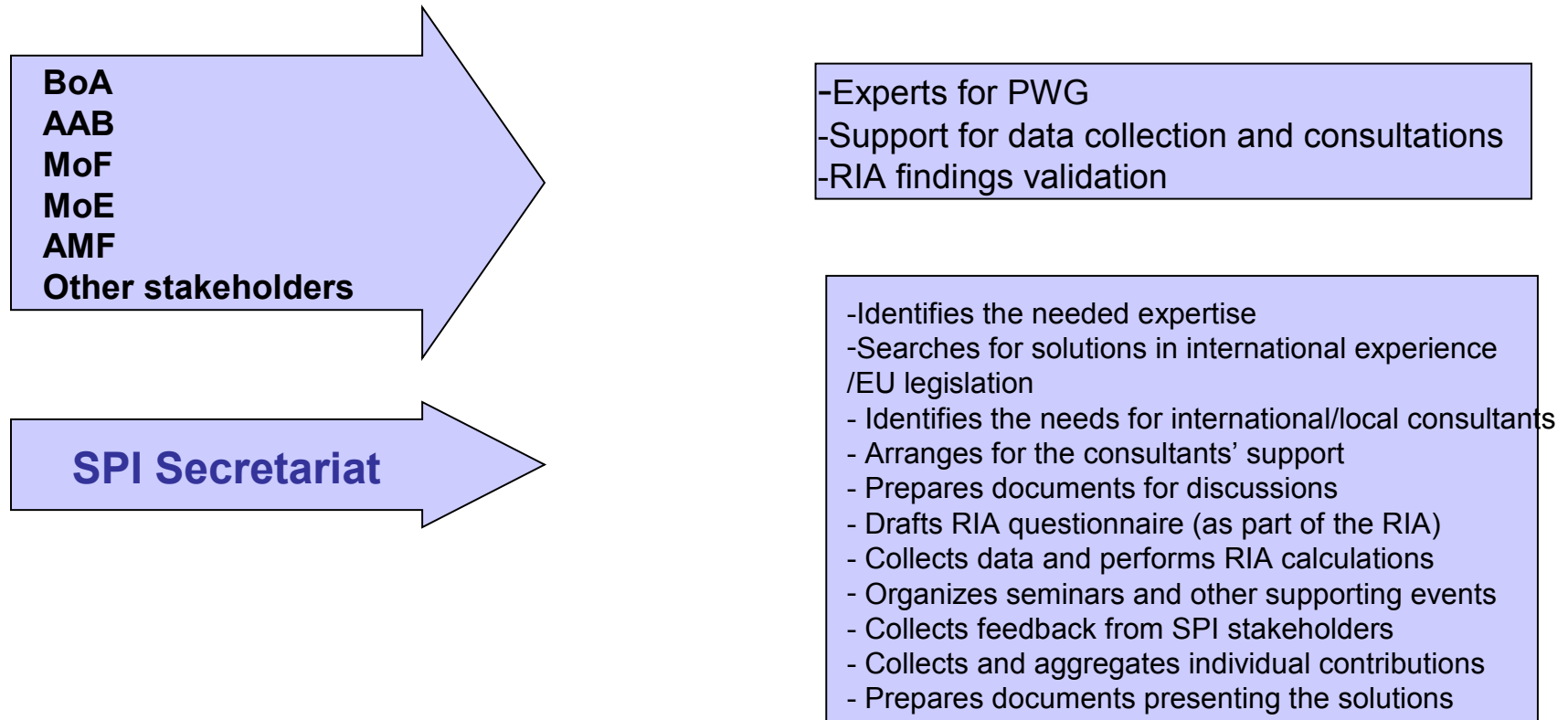




# a. SPI Albania Platform

## i. Project Management

### 2. Solution searching



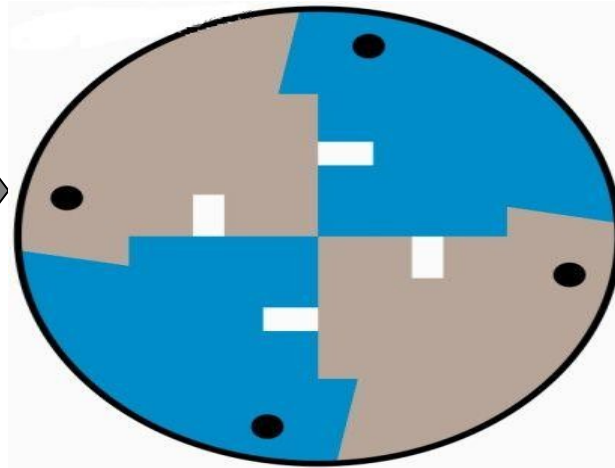
# a. SPI Albania Platform

## i. Project Management

### 3. Consensus building

#### **AAB**

- Banks review solutions
- Provide input on disputed issues
- **RBA Board endorsement for final recommendation**



#### **BoA**

- Revises proposed solutions
- Provides input on disputed issues
- **NBR Board endorsement for final recommendation**

#### **SPI Secretariat**

- **Looks for international benchmarking in disputed solutions**
- **Asks for independent opinions on disputed issues**
- **Provides ideas for reaching solutions acceptable to all parties**
- **Performs RIA for disputed issues in order to facilitate the best choice**

# a. SPI Albania Platform

## i. 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





# a. SPI Albania Platform

## ii. Methodology

**Conference on SPI Albania – One Year since Its Inception**  
**Elona Bollano, Director of Analytics and Policy**  
**Tirana, January 23, 2009**  
**SPI Albania Secretariat**



## a. SPI Albania Platform

### ii. Methodology

#### 1. EU Better Regulation Framework

##### General Information - a

EU Better Regulation Approach, developed by the European Commission, aims to:

- simplify and improve existing regulation;
- better design new regulation; and
- reinforce the respect and the effectiveness of the rules



## a. SPI Albania Platform

### ii. Methodology

#### 1. EU Better Regulation Framework

##### General Information - b

- EC comprises a very wide range of issues but...
- For Financial Services it has adapted the EU-Better Regulation approach to reflect the more specialized nature of financial services policies and the specific development circumstances.
- “Better laws” - having a full picture of their economic, social and environmental impacts
- Impacts assessed through the structured Impact Assessment tool.



## a. SPI Albania Platform

### ii. Methodology

## EU Better Regulation Framework General Information -c

• **Impact assessment** – IA – structured logical steps for the preparation of policy proposals. IA enhances the policy making process through:

- providing a coherent framework to conduct evidence-based policy making, that spans the regulatory policy making process from beginning to end;
- the use of market and regulatory failure analysis ensures accurate identification of problems and the threats they pose to regulatory objectives, which are reflected in effective and efficient policy solutions amongst a wider range of possible policies;
- saving time in the long run by reducing the risk of regulatory failure;
- formal and informal consultation with stakeholders and by enhancing the transparency of the policy making process and keeping all affected parties informed that results in enhanced credibility and accountability of the policy making process.

***Impact assessment is an aid to political decision-making, not a substitute for it.***



# a. SPI Albania Platform

## ii. Methodology

### EU Better Regulation in 11 steps

#### The EU Better Regulation Approach

Steps	Purpose
<b>Scoping of problem</b>	
1. Problem identification	To understand if a market/regulatory failure creates the case for regulatory intervention.
2. Definition of policy objectives	To identify the effects of the market /regulatory failure to the regulatory objectives.
3. Development of “do nothing option”	To identify and state the status quo.
4. Alternative policy options	To identify and state alternative policies (among them the “market solution”).
<b>Analysis of impact</b>	
5. Costs to users	To identify and state the costs borne by consumers
6. Benefits to users	To identify and state the benefits yielded by consumers
7. Costs to regulated firms and regulator	To identify and state the costs borne by regulator and regulated firms
8. Benefits to regulated firms and regulator	To identify and state the benefits yielded by regulator and regulated firms
9. Data Questionnaire	To collect market structure data to perform a quantitative cost and benefit analysis
<b>Consultations</b>	
10. Policy Document	To learn market participant opinions on various policy options
<b>Conclusion</b>	
11. Final Recommendations	Final report to decision-makers, based on Cost Benefit Analysis and market feedback





## a. SPI Albania Platform

### ii. Methodology

Scoping of the Problem

+ Qualitative & quantitative CB Analysis

= Impact Assessment Analysis Document - IAAD

+ Consultations with Stakeholders

= **Final PWG Policy Recommendations**



## a. SPI Albania Platform

### ii. Methodology

- Scoping of the Problem Document (steps 1–4)
  1. Problem identification
    - What is the problem? Is it due to Market or Regulatory Failures?
  2. Definition of policy objectives
    - General objectives (objectives of the authorities)
    - Specific objectives (objectives of the project)
    - Operational objectives (deliverables, actions of the project)
  3. Development of “do nothing option”
  4. Alternative policy options



## a. SPI Albania Platform

### ii. Methodology

- IAAD Document (steps 1 – 9)
  5. Costs to users
  6. Benefits to users
  7. Costs to regulated firms and regulator
  8. Benefits to regulated firms and regulator
  9. Data Questionnaire

**5-9 Analysis on the incremental costs & benefits of the identified policy options**



## a. SPI Albania Platform

### ii. Methodology

- Consultations with stakeholders (step 10)
  - 10.1. Consultation questionnaire
  - 10.2. Consultations feed-back
- Final document – PWG Recommendation (step 11)



# I. SPI Albania Achievements

## b. The Impact of IFRS Implementation on the Banking Regulations

**Conference on SPI Albania – One Year since Its Inception**

**Tirana, January 23, 2009**

**Mr. Ilir Pustina, Project Working Group Member,  
Chief Inspector on Site, Supervision Department**

**Bank of Albania**



## b. The Impact of IFRS Implementation on the Banking Regulations

### Current Status

- The project was concluded with the approval from the PWG of the final document on Amending the Banking Regulations for IFRS Implementation.
- SPI Committee endorsed the PWG Recommendations as presented during the SPI Committee meeting, November 2008.
- The Recommendations were sent by the Governor to BoA Supervision Department that is currently working to amend the respective regulations.

### Follow-up

- SPI Secretariat will coordinate further consultations between BoA Regulations Unit and the PWG for specific regulatory amendment drafts.



## **b. 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 implement 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.



## **b. The Impact of IFRS Implementation on the Banking Regulations**

### **Achievements**

- PWG agreed on the Terms of Reference.
- PWG agreed on the main changes to be brought to the BoA regulations most impacted by IFRS implementation.
- With AAB support, SPI Secretariat run a bank survey on the banks' readiness to implement IFRS. The main findings were delivered to the PWG and to all the Banking Community.
- The first objective of the project was achieved by National Accounting Council's release of an official interpretation of the decree issued by the Ministry of Finance on the implementation of IFRS. The interpretation was delivered to the PWG and to all the Banking Community.
- PMT and SPI Secretariat met with the Tax Authorities in order to clarify the changes in the reporting for tax purposes as of January 2008 after the IFRS adoption.
- PWG Recommendations were endorsed by SPI Committee
- PWG Recommendations serve as preparatory work for BoA





## **b. The Impact of IFRS Implementation on the Banking Regulations**

### **Contributions**

- PWG members contributed through their feedback in the grouping of regulations and with comments on the proposed changes.
- PMT and SPI Secretariat followed up with NAC for drafting their official interpretation and assisted them by providing the Note on the European experience in implementing IFRS and the document on the main findings for the survey on banks' readiness to implement IFRS
- PMT had a decisive contribution in classifying the affected regulations and in defining the sense of the changes.
- SPI Secretariat prepared the draft ToRs, several notes on situation in Albania and on international experience, the draft list of all the BoA supervision regulations that may be impacted by the IFRS implementation and the Scoping the Problem document, as well as the PWG Recommendation Document



# I. Arritjet e SPI Albania

c. Permiresimi i procedurave te ankandit per pasurite e patundshme te vena nen sekuester

**Seminar mbi SPI Albania – Nje vit nga Krijimi**

**Tirana, 23 Janar, 2009**

Znj. Veronika Prifti, Drejtore Projekti

Drejtore e Departamentit te Ceshjeve Ligjore

Banka Kombetare Tregtare



## **c. Permiresimi i procedurave te ankandit per pasurite e patundshme te vena nen sekuester**

### Statusi Aktual

- Grupi i Punes ka aprovuar dokumentat final per korrigjimin mbi sherbimin e permbarimit dhe mbi Kodin e Procedures Civile.
- Komteti i SPI aprovoi rekomandimet e Grupit te Punes qe u prezantuan gjate mbledhjes se komitetit te mbajtur ne Nentor 2008 dhe ia dergoi insituicioneve perkatese.
- Ne 11 dhe 29 Dhjetor, Projektligji per Liberalizimin e Permbarimit dhe ndryshimet e Kodit te Procedures Civile u aprovuan nga Parlamenti dhe u publikuan ne Fletoren Zyrtare.

### Vijueshmeria

- Marrja pjese e perfaqesuesve te grupit te punes ne projektin e IFC per Vendosjen e Standarteve te Vleresimit.
- Disponueshmeria e grupit te punes per konsultime mbi Permiresimin e Permbarimit.



## c. Permiresimi i procedurave te ankandit per pasurite e patundshme te vena nen sekuester

### Arritjet

- Pjesemarrja ne seancen degjimore te Komisionit Parlamentar mbi Ceshtjet Ligjore, Administrata Publike dhe te Drejtat e Njeriut
  - Prezantimi I korigjimeve nga Grupi i Punes dhe argumentat perkates.
- Diskutim me Ministrine e Drejtesise (Departamenti i Sekuestros dhe Zyra e Ministrit)
- Grupi i punes dergoi ne Ministrine e Drejtesise komentet e tyre mbi Projektligjin e Liberalizimit te Sherbimit Perambarimor, bashke me perfundeimet e pyetesoreve mbi veshtiresite qe hasin bankat me zyren e permbarimit



## **c. Permiresimi i procedurave te ankandit per pasurite e patundshme te vena nen sekuester Kontributet**

- Drejtuesi i projektit ka siguruar raste studimi nga eksperiencia reale qe ilustrojne impaktin e struktures se tanishme te rregullores mbi bizneset e bankave.
- Grupi Drejtues i Projektit formuluan propozimet e grupit te punes mbi korigjimin e Kodit te Procedures Civile.
- Grupi Drejtues i Projektit dhe sekretariati i SPI ndoqen 2 mbledhje me perfaqesues te Ministrise se Drejtesise nga Departamenti i Zbatimit
- Sekretariati i SPI pergatiti : Termat e references se Projektit, Shenimet mbi Eksperienca Nderkombetare, Dokumentin mbi Gjetjen e Problemit, nje pyetesor mbi veshtiresite e bankave me zyren e e permbarimit, Konkluzionet e pyetesorit mbi Vleresimin e Ndikimit ne Rregullore, Rekomandimet e grupit te punes mbi Permiresimin e Sherbimit Permbarimor, Rekomandimet e grupit te punes mbi korigjimin e Kodit te Procedures Civile.
- Sekretariati i SPI bashke me Shoqaten Shqiptare te Bankave drejtuan bashke pyetesorin mbi mbeshtetjen e bankave dhe pregatiten nje dokument me perfundimet e arritura.



## c. Permiresimi i procedurave te ankandit per pasurite e patundshme te vena nen sekuester

### Perfundimet

- Termat e References se Projektit
- Shenime mbi Zbatimin e Kolateralit
- Shenime mbi Eksperiencen Nderkombetare mbi Sherbimin e Permbarimit
- Pyetesori per Veshtiresite e Bankave me zyren e Permbarimit
- Grumbullimi i ndihmes individuale si dhe nga grupi I punes per Kodin e Procedures Civile
- Memorandumi i BERZH mbi zbatimin e marrjes nen sekuester
- Konkluzionet e Pyetesorit mbi Vleresimin e Ndikimit ne Rregullore.
- Rekomandimet e Grupit te Punes mbi Permiresimin e Sherbimit Permbarimor.
- Rekomandimet e Grupit te Punes mbi korigjimin e Kodit te Procedures Civile



## **c. Permiresimi i procedurave te ankandit per pasurite e patundshme te vena nen sekuester**

### Standartet e Vleresimit

Etapa e trete e ketij projekti eshe e lidhur me permiresimin e Standarteve te Vleresimit ne Shqiperi.

Megjithate, pas nje bashkeveprimi te gjere inter-institucional, Grupi Drejtues i Projektit dhe Sekretariati i SPI mesuan qe IFC Do te ndermare nje projekt me objektiv per te ndihmuar pervetesimin e nje seti standartesh vleresimi per pronat e patundeshme

Qe prej atere projekti i IFC ishte me I hollesishem sesa standartet e vleresimit tek komponentet e projektit te SPI Albania mbi permiresimin e procedurave te ankandit per pasurite e patundshme te vena nen sekuester, Komiteti i SPI vendosi te ndaloje perfshirjen direkte te SPI Albania ne kete projekt. SPI Albania do te perfaqesohet ne grupin e punes te IFC.



# I. SPI Albania Achievements

## d. Progress Report on Reducing Cash Transactions Project

**Conference on SPI Albania – One Year since Its Inception  
Tirana, January 23, 2009**

**Presenting: Mr. Robert Wright , Project Manager  
Board Member for Retail Banking  
Raiffeisen Bank**





## d. Reducing Cash Transactions

### Current Status

- The Cost-Benefit Analysis on cash and non-cash payments is being run for Banks, Shops, Utility Companies, professionals etc.
- SPI Secretariat is aggregating the collected data for further processing

### Next steps

- Based on the findings of the survey and on the international experience, PWG members will formulate their recommendations for reducing cash transactions, including self-regulatory measures of the banking community and possible regulatory initiatives
- Estimated finalization: end February 2009



## **d. Reducing Cash Transactions Achievements**

- SPI Secretariat, in collaboration with AAB, organized a presentation by the Italian Association of Banks (ABI) on their Initiative in Reducing Cash Transactions.
- PWG agreed on Scoping the Problem document
- Following Mr. Oliver Whittle's invitation (CEO Raiffeisen Bank and PO), the representatives of the largest mobile communication operators in Albania (AMC and Vodafone) joined the PWG.
- SPI Secretariat visited ABI and studied on site the research paper: "Ricerca di mercato 2006 indagine sui consumer e indagine sui merchant, analisi McKinsey". It will use the findings to prepare the recommendations for Albania.
- SPI Secretariat met Raiffeisen Bank's and Union Bank's cash managers in order to perform preparatory work for cost-benefit analysis.
- SPI Secretariat drafted personalized questionnaires for Banks, shops, professionals and utility companies,
- Following PO correspondence with METE, SPI Secretariat met with METE Secretary General to establish cooperation with the utility companies.



## d. Reducing Cash Transactions

### Contributions

- SPI Secretariat prepared project ToRs, drafted a note on international experience, the Scoping the Problem document, drafted the cost-benefit questionnaire and drafted invitation letters for participation in the Project Working Group to Mobile Operators, Ministry of Finance, and other Public Utility Institutions' representatives.
- The PM, Mr. Robert Wright and PWG member Jonida Vaso (UB) enabled the SPI Secretariat to meet with Cash and Payment Managers in their respective banks to consult in drafting the cost-benefit questionnaire and to learn about the direct-debit project developed by RB.
- PWG members filled in the questionnaire with the required data for the qualitative and quantitative analysis of the cash and non-cash payments.
- EUT students are running the survey with shops and professionals.



## d. Reducing Cash Transactions

### Outputs as of December 2008

- Project Terms of Reference
- Scoping of the Problem Document
- Note on Research Companies' Proposals for a national survey on cash volume in Albania for AAB.
- Note on the European Experience
- Impact Assessment Questionnaire

### Future outputs

- Main findings of the survey on the costs and benefits of cash and non-cash transactions
- PWG Recommendations on reducing cash transactions



## II. SPI Albania Current Status and Prospects

- a. SPI Albania Progress Report on Projects on Capital Adequacy and Consumer Financial Education

**Conference on SPI Albania – One Year since Its Inception  
Tirana, January 23, 2009  
SPI Albania Secretariat**



# Current Project:

## a. Reviewing the Capital Adequacy Regulation

### Current Status

The **PWG**, based on the experience of its members, is working to assess the changes on the Baseline Framework of the Capital Adequacy.

**SPI Secretariat** is working on the questionnaire that will assess:

- the readiness of the banking system to adopt the new methodologies on credit risk and operational risk; and
- the impact of the new framework on the banking system.



# Current Project:

## a. Reviewing the Capital Adequacy Regulation

### Outputs

- Project terms of reference agreed.
- PWG agreed the Note on the International Experience document.
- PWG agreed on Scoping the Problem document.
- PWG approved the qualitative cost-benefit analysis.



# Current Project:

## b. Consumer Financial Education

### Current Status

The PWG is formed and SPI Secretariat has prepared the Note on International Experience and the Scoping of the Problem Document and is preparing for the first PWG Meeting where the above mentioned documents will be approved





## **II. SPI Albania Current Status and Prospects**

### **SPI Albania Evaluation**

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Tirana, January 23, 2009  
Presenting: Ramona Bratu, SPI Regional Operations  
Director and acting SPI Albania General Manager**



- SPI Albania Evaluation (as provided by IFRS PWG members)
  - **Recommendations**
    - the presentation from the beginning of the project a correct understanding of the project objectives and of each party's specific role and responsibilities;
    - meetings scheduling based on the progress in preparing the document package;
    - better capturing of the technical details of the discussions in the minutes;
    - more efforts to mobilize international expertise for the projects, using also the PWG potential resources (experts from banks' or other stakeholders' parent companies).



## **II. SPI Albania Current Status and Prospects**

### **SPI Albania 2009 Activity Program**

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Tirana, January 23, 2009  
Presenting: Ramona Bratu, SPI Regional Operations  
Director and acting SPI Albania General Manager**



- Based on **surveys** with all SPI Albania stakeholders
- **Questionnaire** – providing various references in order to facilitate the project proposal
- In case of a long list of project proposals – survey for **prioritizing issues**
- Finally, **10 project proposals** coming from banks, BoA, FSA, MoF
- **Objective: to finalize 10 projects**
- Support: the MoU concluded with EUT; the MoU concluded by AAB with ABI



## **II. SPI Albania Current Status and Prospects**

### **SPI Albania 2009 Institutional Framework**

**Conference on SPI Albania – One Year since Its Inception  
Tirana, January 23, 2009  
Presenting: Ramona Bratu, SPI Regional Operations  
Director and acting SPI Albania General Manager**



## Objectives:

- To transfer the executive management to the local stakeholders
- To have SPI Albania as a hub for all financial modernization initiatives
- To ensure the operational integration of SPI Albania with AAB
- To secure the grounds for establishing SPI Albania as a local institution by having the financing covered by local stakeholders starting March 2010

Thank you for attending the  
event!

Please visit us at  
[www.spi-albania.eu](http://www.spi-albania.eu)