



## SPI Albania Monthly Activity Report January 2008

### I. SPI Activity Highlights

The first month of 2009 was not only filled with project activities but also with important SPI Albania institutional milestones:

- [SPI Albania Conference – One year since its Inception](#). On January 23, SPI Albania held its first conference since its inception same time last year and only 8 months after becoming operational through [SPI Albania Secretariat](#). Organized by the Albanian Association of Banks and with the participation of Bank of Albania, the objective of the conference was to [present](#) SPI Albania's achievements and impact in the Albanian Financial Sector as well as to inform the financial community on the current status and prospects for year 2009.
- SPI Albania and European University of Tirana organized a [seminar](#) to introduce the SPI Albania [modernization platform](#) and [methodology](#) to Banking and Finance Students.
- During the seminar, SPI Albania Secretariat and EUT Rector, Prof. Civici, signed a [Memorandum of Understanding](#) that outlines the areas of collaboration with the University.
- Italian Banking Association informed SPI Albania that its Executive Committee approved the signing of a Memorandum of Understanding to govern its future technical support.
- [Cash Transactions](#): The [cost-benefit questionnaires](#) for retail, shops and utilities were delivered and partially collected. Along with the collected questionnaires from the banks, SPI Secretariat worked on aggregating the results.
- [Capital Adequacy](#): The [second PWG meeting](#) was held with an enlarged composition including most of the banks.
- [Consumer Financial Education](#): PWG gathered for its [first meeting](#) on 29 January 2008, with the objective of getting an understanding of the issue, of the project objectives and of the international experience.

### II. Project Activities

#### **1. Reducing Cash Transactions**

The project progress for January as marked the following achievements:

- As a follow up to the invitation for collaboration addressed to Mr. Durim Kraja, Secretary General Ministry of Economy, Trade and Energy, by Project Owner, Mr. Whittle, SPI Secretariat organized a meeting to with the request for facilitating the communication with the representatives of the Operator for the Transmission System, in order to have them involved in the PWG work and their views reflected in project outputs.
- As a part of the [cost-benefit analysis](#) of the project, with EUT second year students' great support, SPI Secretariat managed to collect data from 47 shops and other retail companies on their behavior in using cash and non-cash payments.

#### **2. Reviewing the Capital Adequacy Regulation**

During the [second PWG meeting](#), SPI Secretariat re-introduced for the newly appointed PWG members the SPI Albania framework, procedures and methodologies that will be applicable also for

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the [Capital Adequacy Project](#). The extended PWG approved the [Terms of Reference](#); [Note on International Experience](#); [Scoping of the Problem Document](#) and [Cost-Benefit Qualitative Analysis](#). In addition, Intesa San Paolo Bank made a [presentation](#) of their simplified technique for the capital requirements for credit risk under the standardized approach, as asked and instructed by their mother company. Furthermore, PWG requested Raiffeisen Bank to share their experience in Basel II implementation. SPI Secretariat in coordination with PMT will meet with Raiffeisen Bank Project Working Group Member to coordinate this experience-sharing.

### 3. Consumer Financial Education

During the [first PWG meeting](#):

- SPI Secretariat delivered a [presentation](#) on SPI Albania framework, procedures and methodologies in order to facilitate PWG's members' understanding on their specific roles and responsibilities.
- The PWG members validated the [Terms of Reference](#) and approved the [Note on International Experience](#) and [Scoping of the Problem Document](#).
- Co-Project Manager representing Bank of Albania made a presentation on BoA activities for financial education in Albania.
- PWG members suggested to enlarge the PWG with members representing Ministry of Education, Insurers' Association and other civil society actors involved in consumer protection and consumer education in general.

### III. Other SPI Activities

- On January 19, the Head of the Convergence Program released a [Questions and Answers Note](#) outlining plans to expand the Program activities beyond the South-East European region.
- Ms. Evis Gjebrea joined the SPI Albania secretariat for an initial 2-month appointment. Ms. Gjebrea will be responsible for the consultations with the stakeholders on 2009 SPI Albania program and for drafting the Terms of References for a first package of 2009 projects.
- SPI Albania started the building up the 2009 Activity Program. SPI Secretariat started the consultation process for building up this year activity program by delivering a [questionnaire](#) to all the stakeholders. The questionnaire refers to areas identified during the Banking Forum meetings where improvement is required for the modernization of the Albanian Financial Sector.

### IV. Highlights of Expected February Activities

- [Cash Transactions](#): Main findings of the surveys on costs and benefits of cash and non-cash payments to be validated by PWG and used to formulate proposals for regulatory and self-regulatory actions.
- [Consumer Financial Education](#)- Second PWG meeting. During their second meeting, the PWG members will analyze the qualitative impact of Consumer Financial Education for consumers, banks and regulators and will work on proposals for a national strategy and a national program, based on the international and Albanian experience.
- [Capital Adequacy](#)- Third PWG meeting. During their third meeting, the PWG will analyze how to assess the impact on banks of the envisaged changes in the regulations.
- **New SPI Albania Director appointed.** Ms. Endrita Xhaferraj, will join SPI Albania Secretariat in the position of SPI Director, Financial Modernization Program and Analytics, in February 11. Ms. Xhaferraj brings her Bank of Albania experience to the Secretariat after more than 7 years working in the Statistics Department. Ms. Xhaferraj will be responsible for the analytical activities of SPI Albania Projects. She will be replacing Ms. Elona Bollano who decided to leave SPI Albania to pursue new career plans with a commercial bank.