

**Twinning Project between Bank of Albania and Bank of Italy**  
**“Enhancing Bank of Albania’s alignment with EU Acquis”**  
**Opening Ceremony**

**Remarks by Luca Zeloni**

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**Banca d’Italia**

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I am very pleased to participate in this event as Leader of the twinning project between Banca d'Italia and Bank of Albania. Banca d'Italia has already been the leading institution of a first Twinning (held in 2010-2012) in favour of Bank of Albania and we are now ready to make our best effort to support this new program. I will start my presentation with a brief description of the objective of the Twinning and the reasons why we believe that the project will be successful. I will then turn to the methodology and the components of the twinning.

In 2014, Albania received the status of candidate country. This was the result of Albania's reform efforts in recent years. The process of integration is still open and Albania needs to continue with existing reforms and embark on new improvements.

Over the last years, Bank of Albania has played a central role in this process due to its contribution to the achievement of the macroeconomic stability and has made progress in the development of the various areas covered by the present project. However, further advancements appear

to be needed for the full establishment of an operational system that is more aligned with the EU standards.

The overall objective of the present Twinning project is therefore to strengthen Bank of Albania and to assist it in the consolidation of its capacities and in this way to increase its contribution to the Albanian integration process.

This is a particularly challenging and ambitious project for at least two reasons. First, because it requires a major effort on the part of the Bank of Albania to consolidate and further improve its capacity to ensure a smooth advancement in the European integration process. Secondly, because it takes place at a time in which central banks are facing important challenges to revitalize the economy and ensure financial stability.

Various factors however give us confidence that we will be able to meet these challenges.

First of all, the strong Bank of Albania commitment. We have been very impressed, since the very first day of our collaboration, by the quality of the staff of the Bank of Albania and by their dedication to the project. In this respect, I would like to thank warmly Governor Gent Sejko and my counterpart Mr Gramoz Kolasi, for their commitment to the success of this project.

Secondly, the Banca d'Italia strong support. I must report that also within the Banca d'Italia there has been a considerable interest in contributing to this project by our staff. We have in fact been able to put together a pool of 55 experts, who will provide training, consultation and on-the-job assistance to our Albanian colleagues, constantly supported in Tirana by our Resident Twinning Advisor. Moreover, eight study visits to the Banca d'Italia will be held in favour of a number of Albanian colleagues.

A factor that also plays in favour of this partnership is that in both our institutions typical central banking functions coexist with bank

supervision functions, and this has greatly facilitated the coordination of the twinning project activities.

Third success factor is our experience in EU financed programmes and long established relations with the Bank of Albania. Banca d'Italia has a wide experience in participating in Twinnings and other programmes financed by the European Commission, also in cooperation with other ESCB NCBs. Since 1999, Banca d'Italia has been involved, as a leading or partner institution, in successful twinning projects with other central banks, in many of the areas covered by this programme.

Banca d'Italia has a long lasting history of relations with the Bank of Albania: policy and operational practices have been shared in many occasions and the staff of the two institutions have worked in close cooperation in various European projects and in bilateral technical cooperation activities.

The last but certainly not least factor is the collaboration of the Deutsche Bundesbank, as Junior Project Leader (I would like to thank Ms Andrea

Mink for her precious support), the Banque de France and the Banca Națională a României with their well-known expertise in the area of the *acquis communautaire*. Italy, Germany and France are founding member of the EU, with extensive expertise in the implementation of the Union *acquis* and respective efforts in incorporating and constantly updating EU requirements into their national legislation. Representing a younger EU Member State, Romania owns very recent institutional memories and experiences on the EU accession negotiation process, which will be highly beneficial for the Bank of Albania.

Therefore, the Twinning project will benefit from insights and longstanding expertise of four EU Member States, representing key players within the European context and particularly in the common European financial sector.

Let me now spend a few words on the methodology of the program. Twinning is a cooperation based on two main principles: 1) mutual and equal partnership; 2) open and constructive dialogue.

Banca d'Italia and the other Central Bank partners fully commit to this approach. We are developing a *participative partnership* with the Albanian colleagues to maximize the effective transfer of skills and knowledge and to define tailor-made solutions that work for Albania and are at the same time in line with EU best practices. Such an approach ensures the sustainability of the project. The results will certainly last beyond the project's lifetime.

The project aims at strengthening the institutional capacity of the Bank of Albania in five areas: banking supervision, macroeconomic and financial stability, monetary policy and statistics, payment system, internal audit, human resources and European integration process. During the first two months of the project, the joint work of our experts and our Albanian colleagues has allowed to set some very precise objectives for each of these areas and a detailed working plan.

The implementation of this proposal will be carried out in 12 months. In order to maximize the dissemination of knowledge and experiences, expert missions from our National Central Banks to Albania will be the

main instrument of cooperation. In some case study tours will be organized at the premises of the NCBs to allow the Albanian colleagues to gain an on-the-job experience

As I had mentioned at the outset, this programme does not lack ambition. While the full engagement of both sides will be essential to reach our goals, we know we can rely on a very effective framework of cooperation and on the successful experience made in other similar projects. This experience tells us that the EU Twinning are not just a one-way tools of transferring expertise and standards. They in fact provide an excellent opportunity, by working together, to devise solution that are compatible with the specificities of the local environment, and thus more likely to be effectively implemented.

Before leaving the floor to Mr Carlo Gola, the Twinning Resident Advisor, allow me to share with you my firm conviction that this initiative will be a proof of the great contribution which a deep integration with the EU can make to the institutional development of



countries. I firmly believe that EU brings to member States significant benefits; I am confident that the Twinning program we are launching will definitively help Albania to qualify and enjoy membership.