



# SPI Albania Financial Sector Modernization Program

## SPI Committee Operating Guidelines

### SPI Committee Three Core Principles

- The SPI Committee represents a high level commitment to public-private collaboration to promote financial sector modernization.
- The SPI Committee selects unanimously the Financial Sector Modernization Program projects.
- The SPI Committee commits to bring projects to final implementation with utmost diligence by supporting the project working groups in their analytical, consensus building and enactment activities.

### Context

Enhancing the financial sector contribution to growth in Albania requires a large-scale fine-tuning of micro-regulations that affect the efficiency of financial sector intermediation. These actions have to take place in close cooperation between financial authorities, members of the banking and financial industry, and users of financial services.

To accelerate this process, Albania's main financial sector stakeholders have agreed to launch the "SPI Albania Financial Sector Modernization Program" ("SPI Albania") and, in order to support it, to establish a high-level public-private Steering Committee (the "SPI Committee") that will initiate, oversee and act upon analytical projects that hold the greatest potential for their contribution to financial sector modernization.

The SPI Committee receives analytical support from the SPI Secretariat, which is jointly managed by a Director of Operations and a Director of Analytics and Policy. SPI Committee and SPI Secretariat together implement SPI Albania.

The Convergence Program, a public-private financial sector development program administered by the World Bank, supports the SPI Secretariat both managerially and

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technically. The SPI Secretariat will mobilize public-private working groups who will contribute their expertise to the analytical studies and endorse the technical conclusions for SPI Committee consideration.

SPI Albania is placed in the broader context of SPI Adriatic, a regional financial sector modernization program that will promote the launch of similar activities in neighboring countries to ensure maximum regional cooperation and coordination.

## **ARTICLE 1: SPI COMMITTEE PURPOSE**

### **Section 1. Mission Statement and Authority**

The SPI Committee represents a high level commitment to public-private collaboration to implement financial sector modernization projects.

Its founding members are Bank of Albania (BOA), Albanian Association of Banks (AAB) and Convergence Program (Convergence). As from March 2009 additional members include Ministry of Finances, Financial Supervisory Authority and Ministry of Economy, Trade and Energy.

The SPI Committee is responsible for selecting the analytical projects to be undertaken as part of the Modernization Program. The SPI Committee undertakes projects with the view to promote their enactment with the greatest effectiveness as provided by the institutional means and instruments at the disposal of its members.

The SPI Committee will support with utmost diligence the analytical, consensus building and enactment work of the projects.

The SPI Committee will submit the reports prepared by the SPI Secretariat to the competent authorities for consideration and approval, will closely monitor progress of their enactment, and will intervene as appropriate to ensure their speedy enactment and implementation.

The SPI Committee may decide to establish links with other authorities and civil society institutions with a key role in design and implementing financial sector modernization solutions. The links may involve SPI Committee membership, formation of specific SPI Committee consultative panels or other ad hoc arrangements as necessary.

## **ARTICLE 2: SPI COMMITTEE MEMBERSHIP**

### **Section 1. Members**

The SPI Committee is composed of following members (hereinafter, the “SPI Committee Members”) as follows:

1. Deputy Governor of Bank of Albania (Hosting Chairperson);
2. Chairman of the Albanian Association of Banks;
3. Head of Treasury Department, Ministry of Finances;
4. Deputy Chairman of Financial Supervisory Authority;
5. Head of Market Surveillance Department in the Ministry of Economy, Trade and Energy;
6. Representative of Convergence Program.

The SPI Committee Members operate in their personal capacity to promote, on a best effort basis, win-win public-private solutions to financial sector modernization issues. Their actions and decisions in the SPI Committee cannot be deemed having being taken pursuant to the general powers and authority that are vested with each of them by her or his institution.

Each SPI Committee member may appoint an Alternate SPI Committee member.

The SPI Committee may invite representatives of other institutions to attend its meetings as Permanent Observers in order to enhance relevance and effectiveness of SPI Committee-sponsored initiatives. The SPI Committee may invite from time to time representatives from various institutions and organizations as Guests to specific SPI Committee meetings.

Annex I contains the list of the SPI Committee members and permanent observers and of their alternates.

The SPI Directors are invited to participate in the SPI Committee meetings as observers, except when the Committee determines to meet in executive session. The SPI Director for Operations will act as SPI Committee Secretary. The Secretary will be in charge of drafting the SPI Committee meetings agenda and disseminate minutes of SPI Committee meetings to the Members for approval following each meeting.

## **Section 2. Term**

The SPI Committee shall be established at the launch of SPI Albania that is, on June 10th, 2008.

## **ARTICLE 3: SPI COMMITTEE ACTIVITIES**

### *General Remarks:*

SPI Committee Members or their Alternates shall attend regularly all the meetings to underline a high-level commitment to public-private dialogue. They must be able to actively participate in Committee meetings and projects.

*The specific role of SPI Committee is to:*

1. Review the pipeline of micro-regulatory issues that require resolution and approve the proposals for individual analytical projects prepared by the SPI Secretariat consistently with the priorities for financial sector modernization. The selection and approval process is extensively described in Annex II.
2. Provide high level representatives for SPI projects' management teams and experts for the project working groups, documents, data and information for the analytical work, as extensively described in Annex III SPI Stakeholders cooperation Guidelines and in Annex IV SPI Working Group Activities Guidelines.
3. Monitor, on a quarterly basis, progress of projects agreed and undertaken according to the report submitted by the SPI Secretariat and discuss options to bring them to practical conclusions in line with SPI Albania objectives.
4. Support the enactment of the SPI proposals, according to the provisions of Annex V SPI Cooperation for Enactment Activities.
5. Authorize SPI Directors to circulate certain work reports and recommendations to respective counterparts.
6. Approve the annual report of SPI Committee goals and accomplishments for distribution to main stakeholders.

## **ARTICLE 4: SPI COMMITTEE MEETINGS**

### **Section 1. Frequency, venue and chairmanship**

The SPI Committee will formally meet at least quarterly. The SPI Committee Member hosting the meeting will also act as a chairperson of the respective meeting.

### **Section 2. Notice of meeting, agenda and quorum**

Notice of the meeting will be provided in advance, with an agenda and respective meeting materials e-mailed/mailed to the SPI Committee Members seven days prior to the meeting.

The SPI Committee meeting agenda shall be prepared by the SPI Secretariat, in consultation with SPI Committee Members.

A draft will be distributed to SPI Committee Members prior to the meeting. Any SPI Committee Member may request inclusion of items in the agenda. S/he will do so by contacting in written form the SPI Secretariat before the meeting.

A quorum shall be required to conduct the business of the SPI Committee. A quorum is defined as a simple majority of the members.

### **Section 3. Meeting Records**

Minutes of SPI Committee meetings will be kept and maintained by the SPI Committee Secretary. Approved minutes will be distributed to the SPI Committee Members no later than a week after their approval. Meeting decisions will be made publicly available in ways to be determined.

#### **Section 4. Decision Making and Method of Vote**

SPI Committee decisions shall be taken by consensus among the SPI Committee Members present in the meeting.

#### **Section 5. Compensation**

No SPI Committee Member will receive salary or any other honorarium for their services under these bylaws.

### **ARTICLE 5: OPERATING GUIDELINES AMENDMENTS**

These guidelines shall govern the SPI Committee in all cases to which they are applicable. The SPI Committee may adopt special rules of order if required. These rules can be amended at any regular meeting of the SPI Committee by consensus, provided that the amendment has been submitted in writing at a previous meeting.

First Approval, Tirana, June 10 2008

<b>Bank of Albania</b>	<b>Albanian Association of Banks</b>	<b>Convergence Program</b>
<b>Fatos Ibrahimi</b>	<b>Edvin Libohova</b>	<b>Luigi Passamonti</b>
<b>First Deputy Governor</b>	<b>Chairman</b>	<b>Founder and Head</b>

Second Approval, Tirana, June 25 2009

#### **SPI Albania Committee Members**

#### **Annexes**

##### **Annex I**

**List of SPI Committee members and permanent observers and of their alternates**

##### **Annex II**

**SPI Project Selection and Approval Process**

##### **Annex III**

**SPI Stakeholders Cooperation Guidelines**

##### **Annex IV**

**SPI Working Group Activities Guidelines**

##### **Annex V**

**SPI Cooperation for Enactment Activities**

## Annex I

### List of SPI Committee members and permanent observers and of their alternates

<b>SPI Stakeholder</b>	<b>SPI Committee Members</b>	<b>SPI Committee Alternate members</b>	<b>SPI Committee Permanent Observers</b>	<b>SPI Committee Alternate Permanent Observers</b>
<b>Bank of Albania</b>	<b>Fatos Ibrahimi, First Deputy Governor</b>			
<b>Albanian Association of Banks</b>	<b>Libero Catalano, AAB Chairman</b>	<b>Elvin Meka, AAB Secretary General</b>		
<b>Convergence Program</b>	<b>Luigi Passamonti, Convergence Head</b>	<b>Greta Minxhozi, WB Senior Country Operations Officer</b>		
<b>Financial Supervision Authority</b>	<b>Keler Gjika, Deputy Chairman</b>	<b>Violanda Theodhori Legal Department Director</b>		
<b>Ministry of Finances</b>	<b>Nezir Haldeda, General Treasury Director</b>	<b>Skender Uku General Director of Macroeconomics</b>		
<b>Ministry of Economy, Trade and Energy</b>	<b>Anila Jani, Director of Market Surveillance</b>	<b>Mamica Dharmo, Head of Consumer Protection</b>		
<b>Italian Banking Association</b>			<b>Pierfrancesco Gaggi</b>	
<b>European University of Tirana</b>			<b>Luljeta Minxhozi Dean of Economic Faculty</b>	

## Proposal, Selection and Approval Process for SPI Projects

### Financial sector modernization

*“Financial modernization refers to the process of financial innovation and organisational improvements in the financial system that reduces asymmetric information, increases the completeness of markets, increases opportunities for agents to engage in financial transactions through (explicit or implicit) contracts, reduces transaction costs and increases competition.”* – An ECB Executive Board Member

### **I. Eligible projects to be undertaken under SPI Committee aegis**

In order to be undertaken under SPI Committee aegis, projects should observe the following *eligibility criteria*:

- ***Relevance for both market players and authorities***

SPI projects should have important public and private benefits in order to motivate authorities and market participants to join forces in their preparation.

The public good benefits refer to financial innovation and organizational improvements that reduce asymmetric information, complete the market framework, and increase opportunities for public and competition among market players.

*Examples of public benefits:*

- *potential reduction in costs to users of bank products and services;*
- *improved access to bank products and services;*
- *improved regulatory and enforcement environment;*
- *enhanced tools for monitoring financial stability.*

*Examples of private benefits:*

- *improvement of market infrastructure, accounting and reporting systems;*
- *diversification and growth of market opportunities;*
- *reduction of costs.*

- ***Action lines***

SPI projects should envisage the following areas of interest:

- (a) new product development;
- (b) cost efficiencies; and
- (c) better industry-consumer relationships.

- *Benchmarking with the strategic directions set by the EU Commission to build a single financial market*

SPI projects should contribute to the national efforts for EU accession.

The **objectives** of the Commission's financial services policy over the next 5 years are to:

- *consolidate dynamically towards an integrated, open, inclusive, competitive, and economically efficient EU financial market;*
- *remove the remaining economically significant barriers so financial services can be provided and capital can circulate freely throughout the EU at the lowest possible cost – with effective levels of prudential and conduct of business regulation, resulting in high levels of financial stability, consumer benefits and consumer protection;*
- *implement, enforce and continuously evaluate the existing legislation and to apply rigorously the better regulation agenda to future initiatives;*
- *enhance supervisory cooperation and convergence in the EU, deepen relations with other global financial marketplaces and strengthen European influence globally.*

## **II. Proposal and selection process**

A. SPI projects are proposed by stakeholders primarily and residually by the SPI Secretariat based on the above mentioned criteria.

### *1. Stakeholders' proposals*

SPI Secretariat initiates the consultation process with stakeholders by sending them a questionnaire on the initiatives suitable to be approached under SPI Committee aegis (attached).

SPI Secretariat collects the proposals and starts mapping them in a descriptive matrix in order to perform a first assessment on the eligibility of the proposals as SPI projects.

In order to get details on the background of the eligible issues, the objectives of the projects, the possible implications, the possible involved parties and their contributions to the projects, SPI Secretariat conducts interviews with main players.

### *2. SPI Secretariat's proposals*

SPI Secretariat performs analysis on the current status of the market as compared to FSAP (Financial Services Action Plan) in order to identify areas and specific issues where the SPI involvement could be needed and that were not proposed by the stakeholders.

SPI Secretariat performs the necessary research in order to acquire information on the context of the identified issues, on the European experience in solving the issues, on the interested parties and potential impact of the project.



SPI Secretariat consults with the international donors' community (World Bank Group, EBRD, etc) in order to check on their plans and on the support they might need from the SPI partnership.

**B.** SPI Secretariat performs a brief impact assessment for all the proposed projects.

**C.** SPI Secretariat structures the proposals in a matrix, by estimated completion time and by area of interest, detailing them on the following outline:

- Description-Background;
- Impact drivers (industry and public);
- General economics;
- SPI Committee involvement rationale;
- Objective;
- Proposed/expected contributions of the stakeholders and of SPI Secretariat.

SPI Secretariat justifies the non-inclusion of project proposals received from stakeholders in the final proposal for SPI Committee consideration.

### **III. Approval process**

Based on the matrix, in its quarterly meetings, SPI Committee approves the projects to be undertaken under its aegis, having in view:

- suitability of the project for the public – private partnership;
- importance of the project proposals (in qualitative and quantitative terms);
- balanced distribution across the action lines.

SPI Committee establishes priorities, stakeholders' and SPI Secretariat' contributions and provides necessary guidance.

### **IV. Raising awareness on the SPI projects**

In order to raise the stakeholders awareness on the SPI projects, on their expected contributions in terms of specialists for the project working groups, data and information, and in order to avoid any eventual overlapping, SPI Secretariat takes the following actions:

- SPI Secretariat sends the projects matrix, under SPI Committee members' signatures, to stakeholders;
- Secretariat posts the approved SPI projects on the SPI Albania website.

**QUESTIONNAIRE ON ISSUES PROPOSED TO BE  
UNDERTAKEN UNDER SPI COMMITTEE AEGIS**

Dear stakeholder,

SPI Secretariat is planning the projects to be undertaken under the SPI Committee public – private partnership in [period].

We would like to invite you to formulate proposals on the issues that you consider as priorities for you and that meet some eligibility criteria, as described in the attached selection procedure.

Please indicate the persons to be contacted by SPI Secretariat for clarifications and details.

In order to forward your proposals to the SPI Committee, please provide us with the necessary details by filling in the questionnaire for each proposed issue. Should you have any questions, please do not hesitate to contact the SPI Secretariat.

After the projects will be approved by the SPI Committee, SPI Secretariat will invite you take ownership on them and to contribute with your expertise and with data to the achievement of the projects' objectives.

With best regards,

SPI Secretariat

**1. Proposed issue to be undertaken as SPI project**

<b>Title of the issue</b>	
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**2. Description of the proposed issue**

<b>Short description of the issue /situation to be solved</b>	
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**3. Is the issue of public and private interest?**

	<b>Short Description</b>
<b>Public interest in the issue</b>	
<b>Private interest in the issue</b>	

**4. Estimated impact ((please tick in the appropriate box)**

	<b>High</b>	<b>Medium</b>	<b>Low</b>
<b>Estimated impact</b>			
<b>Some economics (if available)</b>			

**5. Action line of the project (please tick in the appropriate box)**

<b>New product development</b>	
<b>Costs reduction</b>	
<b>Better industry-consumer relationships</b>	

**6. International reference (if any)**

<b>EU level</b>	<b>Deadline</b>	<b>National level</b>
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		(if any)	
<b>International reference</b>			

**7. Expected value added from SPI Secretariat:**

**8. Estimated international assistance needed:**

**9. Contact details:**

# **SPI Albania**

## **Interface Issues with Key Stakeholders**

**The Bank of Albania**

**Albanian Association of Banks**

The **SPI Albania** mandate is to prepare proposals for legislative, regulatory and self-regulatory financial sector modernization initiatives which are likely to result in quick enactment and endorsement by competent authorities and institutions. Ex-ante consensus on the relevance of the issue, quality of analysis and broad consensus on the proposal are key to fulfilling this mandate. A high level public-private **SPI Committee**, supported by an efficient **SPI Secretariat**, oversee the integrity of these activities.

Placed at the juncture of public and private institutions, **SPI Albania** draws its legitimacy from helping each stakeholder fulfill its specific mission in full transparency, within the boundary of solutions that reflect the broadest possible public-private consensus.

Accordingly, **SPI Albania** helps public institutions improve the effectiveness of their regulatory actions as defined by their own mandates (e.g., financial sector efficiency, stability or consumer protection). It helps the market participant community minimize the impediments to their businesses arising from unintended consequences of the regulatory framework. In both cases, it significantly contributes to their institutional strengthening.

The **SPI Albania** relevance depends therefore on how its activities are aligned with the objectives of its key stakeholders. While the **SPI Committee** has a key role in setting the general direction and in shaping the outcomes of the public-private partnership, the **SPI Secretariat** has a specific responsibility to ensure that the technical work it supports is fully integrated into the operational processes of the relevant stakeholders for issue alignment, consensus-building and, eventually, enactment support.

The following table describes the **SPI Albania** interface with the **Bank of Albania** and with **Albanian Association of Banks** in each of the four phases of the SPI Romania activities (i.e., issue identification, solution searching, consensus-building and enactment promotion).

## ISSUE IDENTIFICATION – 3 TYPES

Description	BoA	AAB SECRETARIAT	SPI SECRETARIAT STRUCTURING ASSISTANCE
<p><b>1) IMPACT ASSESSMENT</b></p> <p><b>BoA</b> banking sector regulatory issues (with the exclusion of monetary and foreign exchange policy) where there is a need for evidence-based policy making, in line with EU “better regulation” approach.</p>	<p>- <b>Identifies future regulatory initiatives where SPI could help perform impact assessment analysis</b> in order to better calibrate BoA policy actions</p>		<ul style="list-style-type: none"> <li>- Performs simplified / full RIA depending on the BoA request</li> <li>- Prepares and runs market surveys relating to AAB - design of questionnaire, calibration of survey, etc.</li> <li>- Conducts public consultations as part of the RIA policy options identification and assessment</li> <li>- Submits to NBR impact assessments for alternative regulatory options</li> </ul>
<p><b>2) PUBLIC CONSULTATIONS</b></p> <p>EU-wide regulatory initiatives which are to be transposed into national legislation and which should be calibrated based on the national specificities</p>	<p>- <b>Selects EU-wide regulatory initiatives (proposals of directives, regulations, etc.) where SPI could conduct public consultations</b> and collects the opinions of other public and private stakeholders</p>		<ul style="list-style-type: none"> <li>- Identifies relevant stakeholders</li> <li>- Raises awareness of the stakeholders on the issues under discussion (round tables, seminars)</li> <li>- Requests for stakeholders opinions</li> <li>- Centralizes stakeholders opinions and draws preliminary conclusions for BoA</li> </ul>
<p><b>3) SPI PROJECTS PROPOSALS</b></p> <p><b>BoA issues</b> (with the exclusion of monetary and foreign exchange policy) where involvement of market players is beneficial for identification and discussion of the most suitable regulatory solutions AAB issues that require public approval or endorsement are to be proposed as SPI projects.</p>	<p>- <b>Invites BoA departments to identify project proposals to be undertaken by SPI</b></p>	<ul style="list-style-type: none"> <li>- <b>Asks banks</b> to provide project proposals to be undertaken by SPI</li> <li>- <b>Proposes projects</b> to be undertaken by SPI raised by AAB members and/or Board that are consistent with the SPI Albania mandate.</li> </ul>	<ul style="list-style-type: none"> <li>- Drafts project selection procedure and questionnaire</li> <li>- Sets up strategy for project identification</li> <li>- Ensures that the project proposals are in line with the project identification and selection procedure</li> <li>- Proposes projects based on search in international experience and according to EC priorities</li> <li>- Ensures a balanced project portfolio</li> <li>- Prepares project proposals and sends them for SPI Committee approval</li> <li>- Identifies the needed expertise and composition of the PMG and PWG and prepares the Working Group (WG) invitation letters</li> <li>- Prepares the ToRs of the project and sends them to PMG for preliminary endorsement</li> </ul>

## SOLUTION SEARCHING

Description/Comments	BoA	AAB SECRETARIAT	SPI SECRETARIAT ANALYTICAL SUPPORT
<p><b>PROVIDING EXPERTISE</b></p> <p>BoA and AAB support SPI projects by mobilizing BoA's and member banks' staff.</p>	<ul style="list-style-type: none"> <li>- Provide leadership to Project Management Group (PMG) and members to Project Working Groups (PWG)</li> <li>- Support organization of technical seminars and other project-related events</li> <li>- Helps identify local experts</li> </ul>		<ul style="list-style-type: none"> <li>- Identifies the needed expertise and composition of the PMG and PWG and prepares the Working Group (WG) invitation letters</li> <li>- Prepares the PWG meetings</li> <li>- Searches for solutions in international experience and EU legislation</li> <li>- Identifies the needs for international/local consultants</li> <li>- Arranges for the consultants' support</li> <li>- Prepares documents for discussions</li> <li>- Drafts RIA questionnaire (as part of the SPI Projects RIA)</li> <li>- Collects data and performs calculations</li> <li>- Organizes seminars and other supporting events</li> </ul>
<p><b>ONGOING MONITORING AND FEEDBACK</b></p> <p>BoA monitors WG activities and provides timely feedback.</p>	<ul style="list-style-type: none"> <li>- <b>Ensure ongoing consultations with BoA relevant departments and with banks and/or Technical Commissions</b></li> <li>- <b>Provide instructions to their representatives in the PWG and</b> liaise with SPI Secretariat</li> <li>- Supports data collection by sending requests for data on behalf of BoA/AAB to promote evidence-based policy analysis</li> </ul>		<ul style="list-style-type: none"> <li>- Collects feedback from SPI stakeholders</li> <li>- Collects and aggregates individual contributions</li> <li>- Prepares documents presenting the solutions</li> </ul>

## CONSENSUS-BUILDING

Description/Comments	BoA	AAB SECRETARIAT	SPI SECRETARIAT CONSENSUS-BUILDING SUPPORT
<p><b>ONGOING CONSULTATIONS</b></p> <p>BoA and SPI, AAB and SPI consult each other regularly to ensure full alignment in reaching a common solution.</p>	<ul style="list-style-type: none"> <li>- Ask BoA Departments/banks to review proposed PWG solutions</li> <li>- Provide input on disputed issues</li> <li>- <b>Secure BoA/AAB Board endorsement for final recommendation</b></li> </ul>		<ul style="list-style-type: none"> <li>- Seeks for the representation of all stakeholders in the PWG</li> <li>- Supports PMG in running the discussions in the PWG meetings</li> <li>- Outlines the issues where a common solution was not identified</li> <li>- Looks for international benchmarking in disputed solutions</li> <li>- Asks for independent opinions on the disputed issues</li> <li>- Provides ideas for reaching solutions acceptable to all parties</li> <li>- Performs RIA for the disputed issues in order to facilitate the best choice</li> <li>- Sends the documents for consultation / endorsement to the principals</li> </ul>
<p><b>PARTICIPATION IN DESIGN OF MARKET DRIVEN SOLUTIONS</b></p> <p><b>BoA has the opportunity to participate in the design of solutions of private-driven projects and industry self-regulatory solutions</b></p> <p><b>AAB has the opportunity to participate in the design of solutions of public-driven projects.</b></p>	<ul style="list-style-type: none"> <li>- Ask BoA Departments/Technical Commissions to review proposed PWG solutions</li> <li>- Provide input on disputed issues</li> <li>- Seek for the representation of all stakeholders in the PWG</li> </ul>		<ul style="list-style-type: none"> <li>- Outlines the benefits of promoting self-regulatory solutions as part of the “better regulation” approach</li> <li>- Ensures that the self-regulatory solutions embed safeguards which are in line with the supervisory approach</li> <li>- Supports PMG in running the discussions in the PWG meetings</li> <li>- Looks for international benchmarking on possible solutions</li> <li>- Asks for independent opinions on the proposed issues</li> <li>- Performs RIA for proposed issues in order to facilitate the best choice</li> </ul>



## ENACTMENT PROMOTION

Description/Comments	BoA	AAB SECRETARIAT	SPI SECRETARIAT ENACTMENT SUPPORT
<b>COORDINATION OF ACTIONS</b>  <b>BoA, AAB and SPI Secretariat coordinate actions in respect of full range of SPI projects</b>	<ul style="list-style-type: none"> <li>- <b>Actively participate in promoting the legislative initiatives through letters and public interventions</b></li> <li>- <b>Send BoA/AAB submission under the public consultation process</b></li> </ul>		<ul style="list-style-type: none"> <li>- Prepares the law / regulations enactment packages</li> <li>- Prepares SPI Committee letters to the legislative initiator or to the BoA Board for BoA regulations</li> <li>- Provides detailed description of RIA to the legislative initiator or to the BoA Board</li> <li>- Follows up with the legislative initiator</li> </ul>
	<ul style="list-style-type: none"> <li>- <b>Coordinates issuing of BoA regulations that have been designed under the SPI</b></li> </ul>	<ul style="list-style-type: none"> <li>- <b>Asks AAB members to send opinions under the public consultation process</b></li> </ul>	<ul style="list-style-type: none"> <li>- Notifies BoA on the initiation of the public consultation process</li> <li>- Sends SPI Secretariat submission under the public consultation process</li> <li>- Arranges and/or attends the meetings with institutions involved in the enactment process</li> <li>- Prepares other documents as required by the legislative initiator</li> </ul>

## Working Group Activities

### 1. Setting up the Project Working Groups

#### Principles

- **SPI Secretariat and Convergence Program propose the Project Working Groups composition having in view the representation of the relevant stakeholders and the leadership.**
- **SPI Albania partners undertake the projects' ownership and ensure participation in the Project Working Groups.**
- **PMT agrees on the project strategy and on the optimal composition of the PWG in order to ensure timely achievement of the project objective**

#### a. Project Working Group composition

SPI Secretariat, under Convergence coordination, drafts the Project ToRs with the following structure:

- background information;
- project objective;
- strategy;
- methodology (steps, output, contributions);
- **Project Management Team and Project Working Group composition:**
  - **Project Management Team (PMT): Project Owner** - represents the main stakeholder at top management level and ensures the project oversight; **Project Manager** – is appointed by the Project Owner (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 members:** they represent all stakeholders, with specific expertise profiles.

#### b. Project Working Group (PWG) appointment

- SPI Secretariat proposes, in consultation with Albanian Association of Banks and Bank of Albania, **a list of persons to be appointed in the PWG.**
- SPI Secretariat prepares **the invitation/appointment letters** according to the attached templates.
- **SPI Committee members/their representatives sign the letters** jointly or separately (as agreed) in order to invite/appoint PWG members.

- Based on the confirmation received, SPI Secretariat contacts PMT, sending them the draft ToRs.

### **c. Strategy PMT meetings**

- PMTs gather in order to agree on the project ToRs and on the adequacy of the PWG composition.
- SPI Secretariat re-runs the appointment procedure in case PMT decides that changes in PWG composition are needed.

## **2. Project Working Group activities**

### **Principles**

- **PWG activities are based on homework, active participation in the discussions and agreement on the final output.**
- **SPI Secretariat convenes PWG meetings, contributes to/prepares background documentation, provides international benchmarking (directly or through contracted experts), centralizes individual contributions, ensures consensus – building and writes final documents to be presented for SPI Committee approval.**
- **In order to ensure a fair representation, SPI Secretariat divides AAB community by clusters and makes sure the clusters are properly represented in PWGs.**
- **Convergence Program provides assistance for all activities and for the collaboration with experts.**

### **a. Pre-gathering activities**

In order to ensure the same level of knowledge for the PWG members, SPI Secretariat and PMT share the responsibility of preparing:

- a compilation of the regulatory framework, or
- a background study.

### **b. PWG meetings**

- SPI Secretariat sends the meeting proposal with the agenda, ToRs and background documentation. In setting up the meeting details (date and venue), SPI Secretariat consults with PMT and/or Albanian Association of Banks.
- SPI Secretariat drafts the minutes of the meetings and sends them to PWG for approval.
- PMT establishes the individual tasks.
- SPI Secretariat follows up with PWG members for the individual contributions.
- SPI Secretariat centralizes individual contributions and prepares intermediary and final documents.
- PWG agree on the external expertise needed (expert profile and expected contribution).
- SPI Secretariat, with Convergence Program support, contracts the expert and handles the relationship with this one.

*Proposed letter to invite the Deputy Project Manager*

Mr./Mrs.  
Chief Executive Officer  
Bank

Dear Mr./Mrs.

***Invitation to join the Project Management Team***

As you may know, the Bank of Albania, the Albanian Association of Banks and [...] have formed a partnership called Special Projects Initiative (SPI) for the modernization of the Albanian banking industry, supported by the Convergence Program administered by the World Bank.

The SPI Committee has approved in its meeting held on [...], to sponsor the execution of a number of projects aimed at improving the functioning of the banking system, to be undertaken in the period.....(as shown in the enclosed "Project Proposals" ).

We/I have the pleasure to invite you to appoint one of your managers/Mr./Ms. [when identified] as Deputy Project Manager in the Project Working Group, for the project on

[...],

to be endorsed by the SPI Committee in [...], whose objective is to

[.....].

The Project Manager and the Deputy Project Manager role will be to ensure the day-to-day activity of the Project Working Group and the timely achievement of the project objective. The Project Working Group will be receiving support from the SPI Secretariat - Ms. [...] or [...] with contact details [...].

Please contact the SPI Secretariat for any assistance you may require and in order to communicate your confirmation/the designated person.

Thank you for your contribution in this important project.

Sincerely,

Bank of Albania representative and/or Albanian Association of Banks representative

*Proposed letter to invite Project Working Group members*

Mr./Mrs.  
Chief Executive Officer  
Bank

Dear Mr./Mrs.

***Invitation to join the Working Group***

As you may know, Bank of Albania, the Albanian Association of Banks and [...] have formed a partnership called Special Projects Initiative Albania for the modernization of the Albanian banking industry, supported by the Convergence Program administered by the World Bank.

The SPI Committee has approved in its meeting held on [...], to sponsor the execution of a number of projects aimed at improving the functioning of the banking system, to be undertaken in the period.....(as shown in the enclosed “Project Proposals” ).

We/I have the pleasure to invite you to appoint a member/Mr./Mrs. [when identified] in the Project Working Group, for the project on

[...],

to be endorsed by the SPI Committee in [...], whose objective is to

[.....].

The Project Working Group role will be to contribute with opinions and documents in the the timely achievement of the project objective. The project will be managed by a team gathering Mr./Ms., etc [if known]. The Project Working Group will be receiving support from the SPI Secretariat - Ms. [...] or [...] with contact details [...].

Please contact the SPI Secretariat for any assistance you may require and in order to communicate your confirmation/the designated person.

Thank you for your contribution in this important project.

Sincerely,

Bank of Albania representative and/or Albanian Association of Banks representative

## SPI Albania

### Enactment Procedure

#### I. Background

Ministry of Finance will be asked to facilitate the enactment of the law amendment proposals prepared under SPI Committee aegis and endorsed by it.

The complexity of the enactment procedure requires a high degree of coordination between MoF and SPI Secretariat in order to:

- avoid potential hurdles and delays;
- build on the extensive preparatory work done within the SPI PWGs;
- ensure the continuous support of the SPI Secretariat and of the PWG members;
- assist MoF staff to comply with the procedures with the utmost diligence.

#### II. Enactment procedure

##### *A. Preparation of the enactment process*

1. The enactment procedure starts with the preparation of the promoting package by SPI Secretariat, based on PWG members' contributions.

The promoting package should contain the followings:

- the law amendment proposals;
- the supporting notes including the Regulatory Impact Assessment findings;
- any other relevant document.

MoF will provide the list with the documents to be included in the promoting package.

2. SPI Committee endorses position paper and promotion package. Its members sign the cover letter to the Minister of Finance prepared by the SPI Secretariat. In case the letter cannot be signed in the SPI Committee meeting, the designated replacements of the SPI Committee members or other appointed persons and the SPI Secretariat are responsible for getting the signatures rapidly in order not to produce unnecessary delays. An electronic system for speeding up the signatures gathering will be envisaged.

3. SPI Secretariat delivers the promoting package with the cover letter to the designated contact person in MoF.

##### *B. Enactment process within MoF*

1. After receiving the documentation from the Minister's cabinet, the designated MoF contact person sends the law amendment proposal to the involved departments asking for opinions. In order to facilitate the understanding process, the SPI Secretariat and/or the MoF PWG member should be indicated to the departments as reference contacts.
2. Designated MoF contact person takes care of the official public consultations (if needed) by posting the law amendment proposals on MoF website.
3. Designated MoF contact person collects the opinions expressed by MoF departments and notifies the SPI Secretariat on the suggestions made, asking for SPI Secretariat support in assembling the final form.
4. Designated MoF contact person sends the promotion package to the involved departments for final endorsement. After the final endorsement of the involved departments, the promoting package is sent to the Minister for signature.
5. Designated MoF contact person collects the promoting package signed by the Minister and sends it to BoA for endorsement, notifying the SPI Secretariat.

### ***C. Co-Enactment process***

1. In case the law enactment requires BoA endorsement, the BoA SPI Committee member will coordinate the necessary actions in order to get BoA endorsement. SPI Secretariat will support BoA/MoJ with all the necessary information.
2. In case the law enactment procedure requires the endorsement of other Ministries (typically the Ministry of Justice) or other institutions, the designated MoF contact person sends the promoting package to the respective Ministry/ institution, follows up and asks for SPI Secretariat support.
2. The designated MoF contact person follows up with the respective Ministry/institution on the status of the promoting package and asks for SPI Secretariat support.
3. After the promoting package is signed by MoJ, the designated MoF/MoJ contact person sends it to the Government in order to be forwarded to the Albanian Parliament, notifying all the co-signatory parties.

The detailed steps of the enactment procedure and the estimated time for each of the steps are described in Annex 1.

### **III. General provisions**

1. SPI Secretariat will consult with MoF designated person in charge with the enactment process regularly (weekly).
2. SPI Secretariat will open a separate file for every law amendment proposal under enactment process (sample in Annex 2) and will evidence the progress and the time taken by each step.

- 3.** MoF will acknowledge the involved departments on the enactment procedure and will communicate to SPI Secretariat the contact details of the departments' management.
- 4.** In order to establish a permanent contact with MoJ for enactment purposes, SPI Secretariat will prepare a letter to be sent under SPI Committee members' signatures to MoJ in order to ask for support in enactment process and for designation of a contact person for the enactment procedure.
- 5.** For transparency reasons, the status of the enactment process will be communicated monthly through the electronic newsletter to the large community of the SPI Committee member institutions. A summary enactment monitoring table is also shown on the SPI Albania website.



## Enactment procedure – steps and estimated time

No.	Steps	Responsible parties	Involved parties	Estimated time
1.	Preparation of the promoting package, based on the list provided by MoF	SPI Secretariat	PWGs	According to the approved plan
2.	Preparation of the SPI cover letter	SPI Secretariat	SPI Committee	SPI Committee meeting /two days after meeting
3.	Signatures on the cover letter	SPI Secretariat and replacements of SPI Comm. members	SPI Committee	Two weeks/4 days in case of electronic signature
4.	Sending the promotion package to MoF	SPI Secretariat	MoF designated person	One day after getting the last signature
6.	Sending the law amendment proposals for comments and suggestions	MoF designated person	Involved departments	
7.	Support the presentation of law amendment proposals	SPI Secretariat	Involved departments	
8.	Post the law amendment proposals on MoF website (if needed)	MoF designated person	Relevant department in MoF	
9.	Collect suggestions and comments from departments and comments from the public	MoF designated person	Involved departments	
10.	Finalize the presentation note and send it to be signed	MoF designated person	Involved departments	
11.	Send the promoting package to the minister's cabinet for signing	MoF designated person	Minister's cabinet	
12.	Send the signed promoting package to BoA/other institution/MoJ	MoF designated person	BoA member in the SPI Committee /MoJ	
13.	Internal BoA/other institution procedure	BoA member of SPI Committee	BoA departments/ Governor's cabinet	
14.	Follow up with BoA/institution	SPI Secretariat	BoA member in the SPI Committee	
15.	Internal MoJ procedure	MoJ designated person	MoJ departments /Minister's cabinet	
16.	Follow up with MoJ	MoF designated person	MoJ designated person	

**Content of the file open for a law amendment proposal**

<b>No.</b>	<b>Enactment step</b>	<b>Time taken/ date</b>	<b>Actions to be taken by SPI Secretariat</b>	<b>Actions taken by SPI Secretariat</b>
1.	Signatures on the cover letter			
2.	Sending the promotion package to MoF			
3.	Sending the law amendment proposals for comments and suggestions			
4.	Post the law amendment proposals on MoF website (if needed)			
5.	Collect suggestions and comments from departments and comments from the public			
6.	Finalize the presentation note and send it to be signed			
7.	Send the promoting package to the minister's cabinet for signing			
8.	Send the signed promoting package to BoA/other institution/MoJ			
9.	Internal NBR/other institution procedure			
10.	Internal MoJ procedure			