



SPI Monthly Activity Report January 2008

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Project Highlights:	<i>1 Project Working Group (PWG) meeting</i>	<i>(Monthly New Item)</i>
New projects:	<i>Co-financing with EU structural funds, Lending to PPPs</i>	
Finalized projects:	<i>Rural Lending, IFRS Provisioning, Consumer Financial Education, MiFID Implementation,</i>	
Well advancing projects:	<i>Lending Databases, Bank Guarantees</i>	
Regulatory-making process:	<i>Law on Safety, Electronic processing of debit instruments, AML Law</i>	
Institutional development:	<i>Credit Positive Information Sharing, Ombudsman, Stress Testing</i>	

SPI Project Working Groups Activities

New projects

- **Co-financing with EU structural funds:** The SPI Secretariat has prepared the project terms of reference (TOR). The project objective is to prepare a document presenting the proposed solutions for facilitating lenders' involvement in this area, based on a comprehensive assessment of the roadblocks perceived by the co-financing institutions in co-financing with structural funds. The project will be launched in February, once the PWG is set up.
- **Lending to PPPs:** The SPI Secretariat has prepared the projects TOR. The project objective is to prepare a document underlining the main provisions of the regulations on PPPs, providing clarifying details on the interpretation of the legal provisions and the identified solutions for a better legal and institutional framework in order to facilitate lending under PPPs. The project will be launched in February, once the PWG is set up.

Finalized projects

- **Consumer Education:** SPI Secretariat supported the World Bank preliminary discussions with relevant financial sector authorities on the proposed assessment of the level of customer protection in financial services. The assessment, initiated by NACP, will provide a basis for the implementation plan prepared by the SPI PWG by helping calibrate the proposed financial education measures. Also, the European Commission representative in charge with financial education measures commended the SPI Romania initiative in the area and offered EC support for implementation.

Well advancing projects

- **Lending databases:** The PWG sent comments on the informational and technical requirements for the two databases. The SPI Secretariat has arranged for meetings to take place with potential database providers in early February.

Regulatory-making process

- **Amendment of law on goods safeguard AML law and law on cheques, drafts and promissory notes:** The SPI Secretariat followed up with relevant competent authorities on the status of the enactment of the law proposals, which are undergoing the final stages of an internal review.

Institutional development

- **Credit positive information sharing:** The SPI Secretariat met with the independent assessors of the IFC Global Credit Bureau Program to discuss about the relevance of the SPI platform from the IFC project implementation view point. The key lessons drawn from the discussions are: a country platform like SPI ensures ongoing monitoring of project implementation, helps self-regulatory solution-design with heavy

local consensus-building content, and a more effective enforcement; impact assessment is a very useful tool and should be widely used for undertaking projects;

Other Developments

- **RIA Advisory Group Launch:** RIA Advisory Group had the launch meeting on January 24, agreeing on the template to be used for the Preliminary Impact Assessment and for the Full Impact Assessment. RIA Advisory Group agreed also on the assignment of responsibilities: Ionut Pavel from the General Secretariat of the Government will be the senior RIA advisor for the project on co-financing with EU structural funds, Emanuel Constantin from MEF – for the project on lending to PPPs and Mihaela Nedelcu (MEF) together with Albert Schreiber (NSC) for the project on standard repo transactions. RIA Advisory Group provided important feedback on the projects draft ToRs.
- **SPI Romania transition to the RBI:** Convergence Head held discussions with banks top management, with the RBA Board members and NBR First Deputy Governor to finalize the SPI transition to RBI. The following are the main conclusions: Convergence Program finances SPI Romania activities through end-February. On 1 March 2008 SPI Romania becomes a Romanian Banking Institute division, with its budget financed 75% by NBR and 25% by RBA. Effective this date, RBI Head of Research, replaces Convergence Head as SPI Romania Manager and SPI Secretariat staff are placed on RBI payroll.
- **Continued SPI Romania funding discussions:** Discussions continue with RBA members to strengthen their financial support to SPI Romania. The Convergence Program estimates that RBA members should each commit only EUR 1,200 per percentage point of market share to give SPI Romania the resources to keep its 2007 performance.
- **SPI Secretariat participation at the Euromoney Central and Eastern European Forum:** The SPI Secretariat has been invited to participate in the Central and Eastern European Forum, organized by Euromoney Conferences in Vienna (14-16 January), which addressed the high interest macroeconomics topics of this period in the region and was used as a marketing tool by both institutions and governments. The Forum provided an opportunity for the SPI Secretariat to deepen its understanding of the current developments in the regional financial markets.
- **SPI Secretariat participation in the regional Intesa San Paolo regional management meeting:** On January 14, the SPI Secretariat has been invited to share the successful SPI Romania experience at the regional Intesa San Paolo bank regional management meeting. On this occasion, SPI Secretariat informed the audience on the imminent launch of SPI Albania and of the SPI Adriatic. SPI Secretariat expressed hopes in having arranged a presentation on SPI Romania to the Banking Association in Serbia, especially after Convergence Head clarified many institutional aspects by providing details on the SPI financial arrangements.
- **SPI Albania launch:** The Bank of Albania and the Albanian Banking Association, with the support of the Convergence Program, launched on January 19, 2008 SPI Albania. SPI Albania is built on the successful SPI Romania experience and will be funded by the Convergence Program and EU funds made available by the Italian Regione Puglia. The SPI Secretariat made a visit to Tirana on January 28-30 to support Convergence in identifying eligible SPI projects, based on the SPI Romania extensive experience. The SPI Secretariat met with the banking association and with individual banks.
- **SPI Adriatic:** Albania and Montenegro, with Convergence Program and SPI Romania support, are interested in developing a regional network of SPI Country Platforms, including Macedonia, Serbia and Kosovo.
- **EBRD discussions on possible cooperation in developing other SPI country platforms:** The SPI Secretariat has illustrated Romania's SPI experience on the occasion of the discussions held among Convergence Program and EBRD representatives in London (January 24) and in Bucharest (January 25) on the opportunity to involve EBRD in building the SPI Adriatic and SPI Moldova.

Highlights of expected February 2008 activities

- The SPI project on lending databases will advance well;
- The SPI projects on Co-financing with EU structural funds and PPP lending will be initiated.

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