

Quarterly newsletter published by the Twinning project "Strengthening the institutional capacity of the National Bank in the Republic of North Macedonia in the process of its accession to the ESCB" – a project funded by European Union



➤ The overall objective of the project

To support the National Bank of the Republic of North Macedonia (NBRNM) in maintaining the macroeconomic and financial system stability through the harmonization of rules, legislation, policies and operations with the standards of the European System of Central Banks and best international practices and thereby help the NBRNM fulfil its mandate in the most efficient and effective way.

➤ Project background

The EU funded project belongs to the Twinning Sector: Finance, Internal market and economic criteria. Project life span is 15 months with an execution period between September 2019 and December 2020 with a total budget of 600.000,00 EUR. The project consortium consists of the Deutsche Bundesbank and the Croatian National Bank. Central banks of Belgium, Lithuania, the Netherlands, Portugal and Romania also play an important role through providing their experts and organizing study visits for their Macedonian counterparts. Project comprises four components.

❖ What happened between September 15th and December 14th?

Component 1:

PAYMENT SERVICES & SYSTEMS

In the first quarter of the project, two expert missions led by experts from the national banks of Romania and Belgium took place in the NBRNM, both aiming to enhance the NBRNM's framework for licensing and supervision of payment institutions and E-money institutions and licensing and oversight of payment systems. NBRNM staff, mainly from Payment Systems and Supervision Department gained extensive knowledge which is expected to assist in the preparation and implementation of the by-laws in the area of payments.

Component 2:

BANKING REGULATION & SUPERVISION

A study visit to the Deutsche Bundesbank was organized for eight on-site and off-site supervision staff members within the project activity focused on development of internal guidelines for ILAAP assessment and its integration in the SREP. They got the opportunity to gain practical experience about ILAAP, ICAAP and SREP and on-site supervisory practices of BBk as well as some specifics of BBk supervision methodology.

Component 3:

FINANCIAL ACCOUNTS STATISTICS

One fact-finding mission was conducted within this component in the first quarter, with aim to analyze the data sources, current compilation system and working procedures for the compilation of Macedonian financial accounts (stocks). Experts from the Croatian National Bank and the National Bank of Romania shared their expertise and worked jointly with NBRNM staff in achieving the final goal to support production of pilot version of yearly and quarterly FA, in complete accordance with ESCB standards.

Component 4:

KNOW-HOW IN POLICY ANALYSIS

In the first three months, Romanian experts conducted a mission to enhance research and econometric modelling skills. The first part was dedicated to a presentation of the main macroeconomic features of the Macedonian economy. Further, among other things, the presentation of the R.E.M. 2.0, the DSGE model developed for Romania, was delivered. The NBRNM staff opted for the use of the DSGE model in developing research paper on the linkages between business and financial cycles. Main

reasons mentioned were the pioneering role of the bank in addressing such issues using sophisticated techniques and the presence of the financial sector in the model.

KICK-OFF Conference

The project was launched by organizing the Kick-Off Conference on 30 October 2019. Keynote addresses were given by the Governor of NBRNM Ms. Anita Angelovska Bezhoska, Mr. Freek Janmaat, Head of Section for Economic Issues and Institution Building from the Delegation of the EU, the Ambassador of the Federal Republic of Germany, Mr. Thomas Gerberich and the Second Secretary of the Embassy of the Republic of Croatia, Ms. Ana Vučić, as well as representatives of the project partners - the central banks of Germany (Mr. Julian Reischle) and Croatia (Ms. Sanja Tomicic). Member state and Beneficiary country project leaders and component leaders, presented their views and highlighted the importance of each activity within the components on how it will help the NBRNM strengthen its capacities in the process of its accession to the ESCB.

Contact:

Resident Twinning Adviser Office
twinning.nbrnm@gmail.com



This project was funded by the European Union

