Box 6. Technical cooperation

The NBR provides technical assistance through partnerships with other ESCB members, as well as bilaterally, based on requests from the beneficiary central banks. The cooperation with other ESCB members, but also with the ECB and the European Commission, focuses on implementing EU-funded technical assistance projects, among which institutional twinning projects hold a significant part[1].

An example of the bilateral technical assistance provided by the NBR upon request is the active support offered to the National Bank of Moldova (NBM) in a number of specific areas. During 2020, the NBR continued to cooperate with the NBM in order to finalise a new Cooperation Agreement between the NBM and the NBR[2]. This agreement extends the cooperation between the two central banks for the purpose of strengthening institutional capacities, in areas such as banking supervision, crisis management, the activity of payment service providers and electronic money issuers, financial market infrastructures, cash transactions, the prevention and fight against currency counterfeiting and forgery, statistics, combating money laundering and terrorist financing, as well as overseeing the enforcement of international sanctions applicable in the financial and banking sector. The governors of the two central banks signed the new Cooperation Agreement between the NBM and the NBR in Bucharest on 11 June 2021. Moreover, the NBR provided technical assistance over the medium term via an expert in the field of banking supervision, financed by the "High Level Advisers for the Republic of Moldova" Programme. Throughout the project, which lasted 120 working days and was completed in April 2020, the work focused on developing the NBM's capacity to implement a full cycle of the Supervisory Review and Evaluation Process (SREP) and on preparing the related reports.

In the course of 2020, the NBR provided technical assistance through EU-funded twinning projects, specifically:

- as a junior partner, alongside the Deutsche Bundesbank (project leader) and the Croatian National Bank (junior partner), within the twinning project dedicated to the National Bank of Serbia, entitled "Strengthening the Institutional Capacities of the National Bank of Serbia (NBS) in the Process of EU Accession". In this project, the NBR experts provided assistance in the following areas: macroeconomic modelling and forecasting, foreign exchange reserve management, communication in the EU integration process, and financial stability. Assistance was carried out through short-term expert missions in Belgrade and study visits by experts from the National Bank of Serbia in Bucharest. The project was successfully completed in March 2020;

1 Twinning is an instrument for cooperation between Public Administrations of EU Member States and beneficiary countries (candidate countries and potential candidates to EU membership, as well as countries covered by the European Neighbourhood Policy).

2 The new Cooperation Agreement between the NBM and the NBR replaces the previous one, which was signed on 27 July 2001 and whose aim was to cooperate on the mutual exchange of information and conduct bank inspections in order to increase efficiency and ensure a consolidated banking supervision, as a result of the multiple changes in the banking sector regulatory framework, both at national and international level.

- via short-term expert missions, in order to participate in the twinning project dedicated to the Bank of Albania, entitled "Enhancing Bank of Albania's Alignment with EU Acquis", in the following areas: financial stability, internal audit, institutional preparation ahead of joining the European Union. The project was successfully completed in January 2021;
- via short-term expert missions, in order to participate in the twinning project dedicated to the National Bank of North Macedonia, entitled "Strengthening the Institutional Capacity of the National Bank of the Republic of North Macedonia (NBRNM) in the Process of its Accession to the ESCB", in the following areas: statistics, oversight of payment systems, macroeconomic modelling and forecasting. The project was successfully completed in March 2021.

Figure A
Technical cooperation of the NBR

Due to the global health crisis caused by the COVID-19 pandemic, technical assistance activities within twinning projects have been adapted to the online format as of March 2020, in compliance with the commitments made and providing the expected results are achieved. The transfer of information in the new online format has been a challenge for both experts and beneficiaries, this being overcome through the joint effort of both sides and their commitment to the successful implementation of projects.

Under the regional technical cooperation programme dedicated to the central banks in the Western Balkans, entitled "Programme for Strengthening the Central Bank capacities in the Western Balkans with a view to the Integration to the

European System of Central Banks", most bilateral activities as well as seminars scheduled to take place between March and December 2020 were rescheduled for 2021, given the programme's specific characteristics. The first online activities in 2021, organised for the National Bank of Serbia, on the topic of banking resolution, were held in April 2021.