



**CENTRAL BANK OF
BOSNIA AND HERZEGOVINA**



EUROPEAN CENTRAL BANK
EUROSYSTEM



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PRESS RELEASE

THE ECB AND THE CENTRAL BANK OF BOSNIA AND HERZEGOVINA SUCCESSFULLY COMPLETE THEIR COOPERATION PROGRAMME

Today the European Central Bank (ECB) and the Central Bank of Bosnia and Herzegovina (CBBH) successfully completed their 18-month technical cooperation programme. The programme, which was launched on 1 April 2010, was financed by the European Union (EU) through the "Instrument for Pre-Accession Assistance" with a budget of €1 million and was implemented by the ECB in partnership with seven Eurosystem national central banks: the Deutsche Bundesbank, the Bank of Greece, the Banco de España, the Banca d'Italia, De Nederlandsche Bank, the Oesterreichische Nationalbank and Banka Slovenije. Experts from the national central banks of Bulgaria and Romania also participated in the programme.

The completion of the programme is an important step forward in the CBBH's efforts to join the European System of Central Banks when Bosnia and Herzegovina accedes to the EU. As a result of this programme, the CBBH is in a better position to provide further enhanced public goods and services. The programme has contributed to the conduct of sound monetary and financial stability policies, for the benefit of the population of Bosnia and Herzegovina. Thus, the programme can be seen as a role model for cooperation programmes involving the EU and other authorities or institutions in Bosnia and Herzegovina.

The main results of the programme are as follows:

- New **interest rate statistics** will soon be implemented, and an action plan has been drawn up for the development of portfolio investment statistics.

However, further improvements need to be made to statistics in many areas in Bosnia and Herzegovina, including those prepared by the CBBH.

- Staff has been trained in the use of **short-term forecasting models** for economic analysis and research, and the CBBH has established a unit specialising in econometric modelling. This has allowed the CBBH to further enhance both its economic analysis and its understanding of economic developments in the country. The CBBH intends to construct more comprehensive models, incorporating additional elements of the economy, as improved statistical data become available.

- A **road map** has been established setting out the CBBH's involvement in and contribution to the process of **integration with the EU**. This will allow the CBBH to plan its work over the next few years and help it to set priorities as regards the allocation of resources.

- The programme has contributed to the **harmonisation process** that needs to take place in order to comply with the **EU's legal framework**. The opportunity to share experiences with EU central banks has provided the CBBH with a solid basis on which to begin aligning the country's financial and central banking legislation with EU law, as well as helping it to further strengthen and safeguard central bank independence as defined by the Treaty on the Functioning of the European Union.

- The CBBH has established a more **forward-looking and risk-focused framework for financial stability analysis**, thereby enabling its Financial Stability Review to become broader, more informative and more user-friendly, for the benefit of both the local population and the international community. With its new institutional capabilities in this field, the CBBH is now better placed to support the work and analysis of the country's Standing Financial Stability Committee, paving the way for timely, well-informed policy decisions.

- The CBBH has drawn up an action plan establishing priorities as regards further improvements in **IT services and security** over the next few years. A separate action plan has been developed for the CBBH's data management. This foresees the replacement of the limited IT tools currently in use with more adequate infrastructure and services, thereby providing more effective support to the CBBH in the future.

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