



# **REMITTANCES: AN OPPORTUNITY FOR GROWTH**

## **Elements Of An Action Plan**

**Luigi Passamonti**

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# This Is A “Convergence” Review

**“Convergence”**<sup>1</sup> is a financial sector development program for South-East Europe focused on:

- Undertaking, as an “honest broker”, analytical tasks of micro-institutional issues as a basis for identifying solutions tailored to country circumstances
- Taking EU integration as a strategic perspective
- Building awareness of market participants, involving them in the search of market-building solutions, and fostering their dialogue with authorities
- Using the experience of regional former policy makers and local experts whenever possible
- Working in partnership with other institutions

# 1. A High-Level Steering Committee

- Why? To overcome coordination problems between private and public players in the two countries a common body entrusted with a “public goal” mandate is needed
- To Do What? To oversee public and private initiatives taken to increase the banking sector involvement in supporting remittances to Albania.
- By Whom? Central Banks, Other public authorities, Banking Associations, civil society. <sup>3</sup>

## 2. A Comprehensive Market Assessment

- Why? To analyze structural and regulatory obstacles to the development of a safe, efficient, contestable, transparent and accessible remittance services.
- To Do What? To use best international practice to establish a comprehensive action plan.
- By Whom? Central Banks with support from international standard setter.

# 3. Transparency and Consumer Protection

- Why? There is a large confidence gap between the Albanian customer and the banking systems in both countries
- To Do What? To help Albanian remittance actors learn of the possibilities offered by banking services and how best to use them.
- By Whom? Partnership between the Italian Banking Association (ABI) and the Albanian Association of Banks (AAB)

# 4. Technical Product Development

- Why? Lack of access to banking services, inconvenient and expensive products are barriers to development.
- To Do What? To design, pilot and launch new plastic card and mobile phone-based products.
- By Whom? AAB with ABI support, under the aegis of the Strategic Committee

## 5. Compatible Postal Office Infrastructure

- Why? Lack of integration of Albanian Post Office into the international payment system deprives Albanian citizens from benefit to access remittance flows.
- To Do What? To ensure connectivity of Albanian Post Office outlets with international remittance platform
- By Whom? Albanian Post Office with ABI, Italian Post Office technical support under Strategic Committee guidance

# Immediate Next Steps

- Convergence will sum up the conclusions of the conference for distribution to the sponsoring organizers, the authorities and the market participant associations
  - April 2006
- Convergence will draft the working agenda of the proposed Steering Committee – and act as Secretariat for the first meeting
  - Target: May and June 2006 respectively

# The Beginning of the Journey

June 2006

Summer 2006

Fall 2006

Winter 2006-7

2007

Albanian-Italian Private-Public STRATEGIC COMMITTEE

The Rules of the Game-  
Overall Assessment

Transparency &  
Consumer Protection

“Client Needs Survey”

TBD...

New Technical Products  
& Post Office

# A Public Communication Target

