



European Central Bank- مصرف لبنان
A 'Road-Map' for Cooperation

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Background & Objectives: the 'Barcelona Process' and Beyond

- Historic links and common values have established proximity and interdependence
- Regional conflicts, uncertainty & instability: requires remedial, intelligent, purposeful action
- Create & Develop *Institutional* links
- Barcelona process:
 - Need to revise approach & instruments
 - Need to develop a monetary, payments, banking & financial market 'leg'

Background & Objectives: develop EuroMed Association Agreements

- 'EuroMed Association Agreements:
 - Main economic focus is on free trade area & commercial policy
 - Need to widen scope to encompass: investment, money and payments, banking & financial markets
- EU-Lebanon AA : approved 2 Dec 2002 Lebanese Parliament, 15 Jan 2003 EU Parliament
 - Interim TA: free trade by 12 years of entry into force

Background & Objectives: Role of Monetary Authorities

- Monetary authorities should be pro-active
- Monetary authorities can be catalysts for economic integration
- Monetary authorities have special role and responsibility to:
 - Consult & cooperate in their areas of authority & competence
 - Act to ensure banking and financial stability
 - Promote Money & Financial market integration
 - Facilitate trade & investment flows

Areas for Cooperation & Consultation

- **Monetary Policies-Exchange Rate Systems**
- **Macroeconomic Policies & Financial Systems and developments**
- **Payment System Integration**
- **Capital Market Development and Integration**
- **Legal and Regulatory Harmonization**
- **Statistics**
- **Information Technology**

Cooperation & Consultation: Proposed Tools

- Observatories, Seminars and Conferences
- Set-up joint **Working Groups and Commissions**
- **Technical Assistance programs:**
 - **Bilateral**
 - **Multi-lateral**
- **Set-up a EuroMed Central Bank Training Institute**

Central Bank Working Groups & Commissions

- **Objective: bridge “divides”, create links and foster spirit of partnership**
- **Bilateral & Multi-lateral**
- **Hosted on both shores of the Mediterranean**
- **Organize regular seminars & workshops**

WG-I: Monetary and Macroeconomic Policies

■ Objectives:

- Exchange views & information on monetary, exchange rate and macroeconomic policies
- Develop basis for monetary policy coordination
- Understand and measure links (trade in goods & services, investment, factor mobility, money & financial markets), and channels of transmission and contagion effects

■ Deliverables:

- Produce “**Blue Books**” for the Mediterranean countries
- Set-up a Monetary/Macroeconomic Observatory
- Develop a ***EuroMed-System***
- Papers and Policy Briefs
- Empirical work: Bilateral & Multilateral Macroeconometric models

WG-II: Payment Systems

- Objectives:
 - Exchange information & expertise on payment systems & operations
 - Integrate & create a common payments network, expanding the scope & penetration of the Euro
 - Create conditions enabling Mediterranean Partner countries to 'leapfrog': e-Payments
- Deliverables:
 - Integrate Med Partners into Eurosystem: set-up "**MedPayments**" to facilitate trade & investment
 - Participate/observe in European Payment Council (EPC)
 - e-Payment initiatives for retail payments
 - Extend TARGET II to the Mediterranean Partners, **TARGETMED system**

WG-III: Financial Markets

- Objectives:
 - Promote the development of local capital markets in the Mediterranean countries
 - Foster banking integration
 - Facilitate access to EU capital markets
- Deliverables:
 - Technical assistance for the set-up of local stock exchanges and capital market authorities
 - Freedom of access to banking markets
 - Access of Med governments and corporations to EU financial markets; listing of bonds & equities

WG-IV: Legal and Regulatory Issues

- Objectives:
 - Modernisation of Mediterranean money, banking and financial laws, adoption of modern financial infrastructures
 - Harmonization of banking and financial laws, regulations and standards in a structured and systematic manner
 - Cooperation in banking & financial supervision
- Deliverables:
 - Survey money & banking laws & regulations: produce a series of “**Legal & Regulatory Green Books**”
 - Creation of a *Euro-Mediterranean Group of Bank Supervisory Authorities*
 - *Assist in developing legal & regulatory infrastructure for eBanking, ePayments and eFinancial Services*
 - Assist in improving accounting, auditing, supervision and regulation of financial services and financial monitoring in accord with international codes and standards

WG-V: Statistics

- Objectives:
 - Exchange and harmonize statistics and information on developments in the monetary, payments, banking and financial sector
- Deliverables
 - Produce a **Handbook** and regular Money & Banking Statistics reports
 - Develop quality, reliable *payment* statistics

WG-VI: IT

■ Objectives:

- Harmonize & integrate ICT systems to support monetary, payments and financial integration
- Provide security and confidentiality for, data, information, transactions and e-payments
- Achieve interconnection & interoperability of standards, telematic networks and services (cf. Art. 53 of AA)

■ Deliverables

- Develop and set common standards to allow straight-through-processing and security
- Participate/observe in electronic Payment System Observatory (ePSO)
- Link-up databases and networks

مصرف لبنان - ECB- A road-Map for Cooperation

شكرا - *Thank you*

