

6. MEDIUM-TERM DEVELOPMENT STRATEGY OF THE BANK OF ALBANIA 2024-2026

The Medium-Term Strategy of the Bank of Albania 2024-2026, updates the existing strategy, extending the deadline for its implementation beyond 2025. The medium-term objectives serve as a basis in the budgeting process, forecasting expenses and income for the fulfilment of the functions assigned by the organic law.

The objectives of the Strategy also include the recommendations of the Assembly Resolution for the evaluation of the activity of the Bank of Albania.

In accordance with tasks determined in the organic law, the priorities in the activity of the Bank of Albania are:

- a) Strengthening the efficiency and effectiveness of monetary policy and the quality of decision-making by increasing the accuracy of forecasts and integrating them with alternative/risk scenarios, and by evaluating monetary policy response options and identifying the most effective alternatives.
- b) Preventing systemic risks and increasing the resistance of the financial system, focusing on (i) approving the methodology for implementing the capital supplement for systemic risk; (ii) the completion of the regulatory framework on the requirements for the banking sector to ensure an adequate cyber protection, (iii) the design of a methodology for the exercise of proof of resistance to the impact of climate change for the banking sector; (iv) the alignment of Basel III and (v) the drafting of technical manuals for the preparation of contingency plans, in the capacity of the Resolution Authority.
- c) Promoting the smooth operation of payment system through: (i) updating systems to accommodate developments in the field of retail payments; (ii) supporting interbank initiatives to promote electronic payments; (iii) supporting the participation of new actors; (iii) participation in the EURO Payments Market; and (iv) developing the Instant Payment project with the Bank of Italy.
- d) Ensuring public trust in Albanian banknotes and coins while addressing the increasing demand for cash suitable for circulation within the economy.
- e) Implementing the new system for managing the foreign exchange reserve currency, to support the implementation of monetary policy and payment and transfer services.
- f) Harmonizing the government financial statistics with EU requirements



and improvement of legal and quality aspects for regulatory reporting of banking supervision data.

- g) Updating the general accounting framework, network and cyber protection infrastructures, as well as strengthening of the internal control system.

