



Inclusive Sustainable Economic Development

Bilateral Assistance and Capacity Building for Central Banks



Building of the Central Bank of the Republic of Uzbekistan, picture by the CBU

The Bilateral Assistance and Capacity Building for Central Banks (BCC) programme aims to support partner central banks in emerging countries in building analytical and technical expertise to conduct effective monetary policy, promoting stable and efficient financial sectors, and improving operational sustainability.

Rationale

Central banks play a crucial role in ensuring economic and financial stability and hence influence key parameters for economic development. The BCC programme supports central banks in building up capacities in core areas of operations, encompassing not only monetary policy but also the provision of core financial infrastructure and operations to ensure monetary and financial stability. To carry out these tasks, a central bank relies on human capital in the form of well-trained staff, institutional capacity to coordinate the different functions. The provision of tailor-made capacity building adapted to the country context is at the core of the BCC programme.

Country:

Uzbekistan, Albania, Azerbaijan, Bosnia and Herzegovina, Colombia, Morocco, Peru, Tunisia, Ukraine

Duration:

2023-2028

Total Budget (Phase III):

CHF 8'516'560

Partners:

The Central Bank of the Republic of Uzbekistan (CBU); Swiss National Bank (SNB)

Implementing Agency:

Fondation pour l'Institut de hautes études internationales et du développement (Geneva Graduate Institute / IHEID)

Overall goal

The program supports capacity building through three implementation modalities: i) tailor-made technical assistance and training, ii) applied research on topics of relevance for the respective country; and iii) conferences and technical workshops, which allow for peer learning and exchanges within the BCC network of central banks.

BCC's intervention areas are: (1) monetary policy analysis and implementation, (2) macroeconomic accounting and statistics, (3) financial stability, (4) financial sector development, (5) operational risks (business continuity, anti-corruption, and integrity), and (6) human resources. In phase III, three new intervention areas have been added, namely: (7) research, (8) financial inclusion, and (9) environmental sustainability.

Outcomes and envisaged results

Central banks will be capacitated to fulfil their mandate effectively, namely:

- Conduct sound monetary policy
- Promote a stable, efficient and inclusive financial sector
- Be more resilient, sustainable and efficient in their operations
- Have stronger monetary transmission mechanisms
- Build on improved research methodologies and outputs
- Apply enhanced macroprudential instruments and stress-testing methodologies
- Develop and implement efficient strategies to increase financial education in remote areas

This third phase builds on the tailor-made approach of the previous work that produced remarkable results even during the Covid-19 pandemic. This flagship project serves as door-opener for policy dialogue, fosters trust with key institutions, and promotes Swissness through the partnership with the Swiss National Bank and Graduate Institute of International and Development Studies (IHEID).

Specific outcomes and outputs are defined in individual country log-frames and are outlined in a Memorandum of Understanding signed by SECO and the CBU.

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