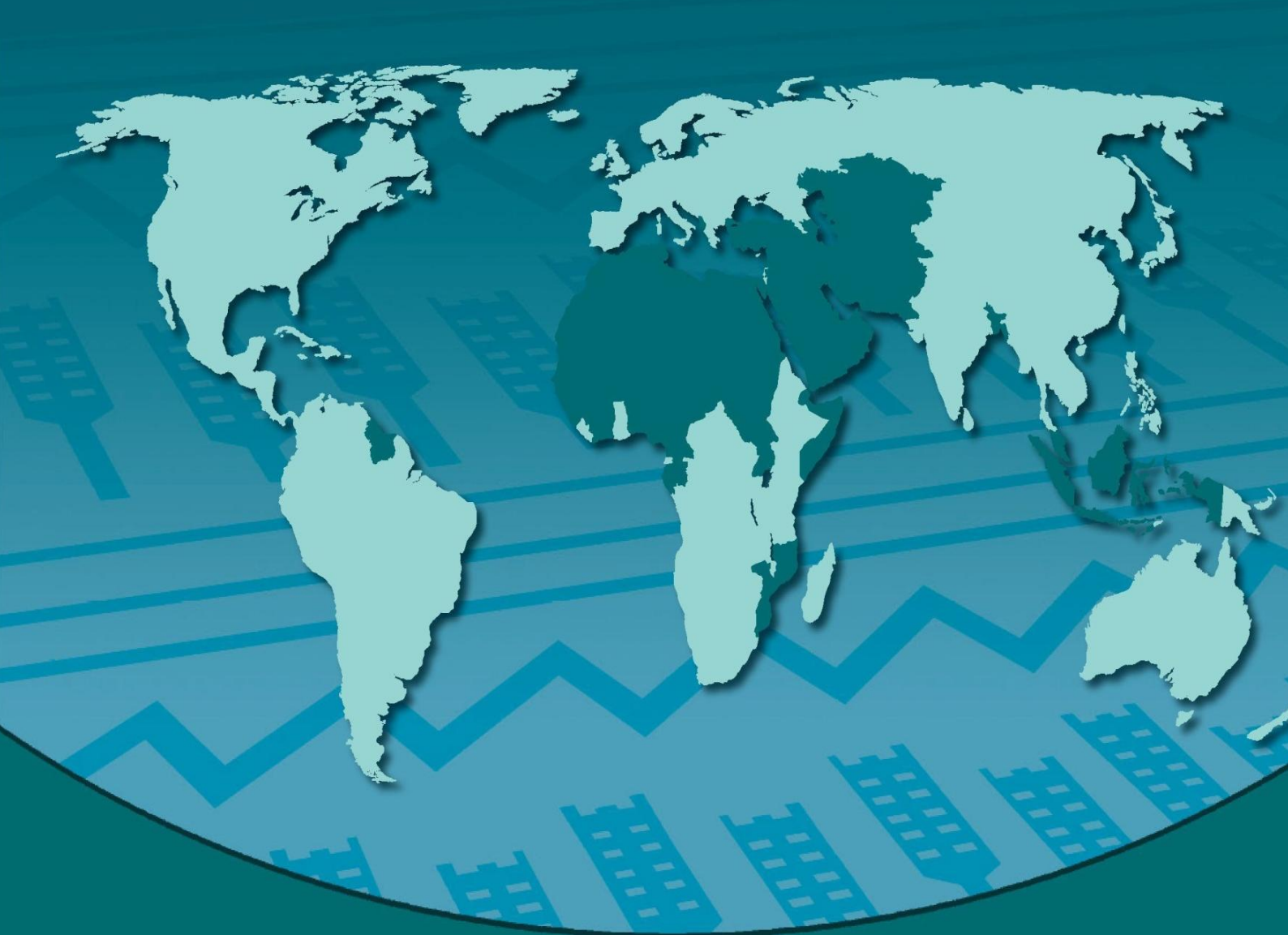


**CENTRAL BANKS**

Capacity Building Programme for Central Banks



**PROGRESS REPORT**  
**May 2012-November 2013**



**ORGANISATION OF ISLAMIC COOPERATION**

**STATISTICAL ECONOMIC AND SOCIAL RESEARCH  
AND TRAINING CENTRE FOR ISLAMIC COUNTRIES**

# Central Banks Capacity Building Programme for OIC Member Countries (CB-CaB)

## PROGRESS REPORT

May 2012-November 2013

The Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRIC) has been mandated to organise training programmes in selected fields geared to the needs of the Member Countries as well as to the general objectives of the Organisation of Islamic Cooperation.

Global financial crisis once more drove attention to the importance of powerful financial systems for macroeconomic stability. As part of efforts towards enhancing the level of cooperation and coordination among the institutions to mitigate the negative impacts of global financial crises and shocks in international financial markets on the economies of Member States, the Central Banks Capacity Building Programme (CB-CaB) has been initiated in early 2009 by SESRIC.

The present progress report on Central Banks Capacity Building Programme for OIC Member Countries provides a summary of the activities which have been undertaken within the framework of the implementation of the Programme. In particular, the report focuses on the training programmes which have been implemented since the 2012 Meeting of the Central Banks and Monetary Authorities of the OIC Member Countries which was held in İstanbul, Turkey during the period 14-15 May 2012.

### I. BACKGROUND

The Capacity Building Programme for Central Banks (CB-CaB) is a specific programme initiated under the Vocational Education and Training Programme for the OIC Member Countries (OIC-VET). OIC VET Programme was originally designed and developed by the Centre in order to improve the quality of vocational education and training in the public and private sectors with the aim of supporting and enhancing the opportunities for individuals in the Member Countries to develop their knowledge and skills and thus contribute to the development and competitiveness of the economies and to facilitate the sharing of knowledge between OIC Member Countries.

Within Central Banks Capacity Building Programme, the Centre organises short-term training programmes by distributing questionnaires in order to identify the needs and capacities of the Central Banks and Monetary Authorities in the Member Countries of the Organisation of Islamic Cooperation (OIC). Afterwards, the Centre analyses the responses of the questionnaires and sends Central Bank experts to these countries to perform the needed training programmes.

The main subjects of the training programmes are updated every two or three years depending on the field of collaboration area. Some of the main subjects covered in the training programmes are as follows; Balance of Payments Statistics, Currency Production and Operations, Financial Stability, Financial Tables Based Real Sector Statistics,

Forecasting at the Central Bank, Inflation Targeting, Islamic Financial Instruments, Payment Systems, Reserve Management, Risk Management and Risk Management in Islamic Financial Institutions.

Participants attending the training courses are provided with outline of the course before the event. The training courses follow a participatory approach, consisting of interactive lectures followed by intensive discussions, practical exercises, individual and group assignments. Training courses are planned and delivered by highly qualified individuals in relevant subject area invited from reputed national public and NGO institutions and centres.

Since its inception the programme has organised 13 courses with the participation of the following member countries: Albania, Algeria, Azerbaijan, Bangladesh, Morocco, Jordan, Kazakhstan, Kyrgyzstan, Palestine, Qatar, Saudi Arabia, Sudan, Tajikistan, Turkey, Uganda, and United Arab Emirates.

### **Knowledge-Sharing Platform on Payment Systems**

Established in line with the decision of the Meeting of Central Banks and Monetary Authorities of the OIC Member States on “Payment Systems and Capacity Building in OIC Member States” in 26-27 September 2010 in Istanbul, Republic of Turkey, the Knowledge-Sharing Platform on Payment Systems of OIC Member Countries is aimed to serve as a ground for discussions on the future developments in the area of payment systems. The Platform includes country-level payment systems data which comprise of various indicators covering settlement media, large-value and retail funds transfer systems, securities settlement systems, SWIFT and clearing arrangements.

SESRIC, in collaboration with the Central Bank of the Republic of Turkey, prepared a comprehensive methodology document, as well as a questionnaire for the purpose of gathering payment systems data from the Central Banks and Monetary Authorities of the OIC Member Countries on following 15 statistical data tables:

1. Basic statistical data
2. Settlement media
3. Institutions offering payment services to non-banks
4. Payment card functions and accepting devices
5. Indicators of the use of payment instruments and terminals by non-banks
6. Participation in selected interbank funds transfer systems
7. Payments processed by selected interbank funds transfer systems
8. SWIFT traffic
9. Participants in exchanges and trading systems
10. Listed securities
11. Executed trades
12. Clearing members
13. Contracts and transactions cleared
14. Number of direct participants at central securities depositories (CSDs)
15. Securities held on accounts at CSDs

Together with the methodology document the questionnaire had been circulated to the Central Banks of the OIC Member Countries. So far, the following 9 Central Banks have responded to the questionnaire, either fully or partially and the received data have been uploaded into the website of SESRIC: Indonesia, Iraq, Jordan, Kazakhstan, Kyrgyzstan, Maldives, Syria, Turkey and Yemen.

The questionnaire and the methodology document are available in three official languages at: <http://www.sesric.org/payment-systems.php>.

## **II. IMPLEMENTED ACTIVITIES**

### **i. Training Course on Reserve Management in Kyrgyzstan**

The Centre organized a training programme on “Reserve Management” at the National Bank of Kyrgyz Republic on 23-24 May 2012 within the framework of OIC Central Banks Capacity Building Programme. The Course was provided by Mr. Suat Aydin, senior portfolio manager from the Central Bank of the Republic of Turkey, and was attended by relevant members of the National Bank of Kyrgyz Republic.

### **ii. Training Course on Islamic Financial Instruments in Turkey**

The Centre organized a training programme on “Islamic Financial Instruments” at the Central Bank of Turkey on 26-28 June 2012 within the framework of OIC Central Banks Capacity Building Programme. The Course was provided by Dr. Eko Adi Irianto, Manager in Department of Islamic Banking and Mr. Agung Bayu Purwoko, Manager in Department of Monetary Operation from the Bank Indonesia, and was attended by relevant members of the Central Bank of Turkey.

### **iii. Training Course on Risk Management in Islamic Financial Instruments in Tajikistan**

The Centre organized a training programme on “Risk Management in Islamic Financial Instruments” at the National Bank of Republic of Tajikistan on 11-12 July 2012 within the framework of OIC Central Banks Capacity Building Programme. The Course has been provided by Dr. Rifki Ismal, Researcher at Directorate of Islamic Banking from the Bank Indonesia, and was attended by relevant members of the National Bank of Republic of Tajikistan.

### **iv. Training Programme on “Macroeconomic Modelling” in Kazakhstan**

The Centre organised a training programme on “Macroeconomic Modelling” at the National Bank of Kazakhstan on 21-22 November 2012, within the framework of OIC Central Banks Capacity Building Programme. The Course was provided by Mr. Hüseyin Çağrı Akkoyun, expert of the Central Bank of the Republic of Turkey, and attended by relevant members of the National Bank of Kazakhstan.

**v. Training Programme on 'Inflation Targeting' at the Central Bank of Republic of Azerbaijan**

The Centre organised a training programme on “Inflation Targeting” at the Central Bank of Republic of Azerbaijan on 19-21 December 2012, within the framework of OIC Central Banks Capacity Building Programme. The Course was provided by Ms. Neslihan Kaya, expert of the Central Bank of the Republic of Turkey with participation of relevant members of Central Bank of Republic of Azerbaijan.

**vi. Training Programme on 'Risk Management in Islamic Banking' at the Central Bank of Republic of Turkey**

The Centre organised a training programme on “Risk Management in Islamic Banking” at the Central Bank of Republic of Turkey on 3-5 June 2013, within the framework of OIC Central Banks Capacity Building Programme. The Course was provided by Mr. Rifki Ismal, expert of the Bank Indonesia with participation of relevant experts of Central Bank of Republic of Turkey.

**vii. Training Programme on 'Financial Stability' at the Central Bank of Republic of Azerbaijan**

The Centre organised a training programme on “Financial Stability” at the Central Bank of Republic of Azerbaijan on 19-21 June 2013, within the framework of OIC Central Banks Capacity Building Programme (OIC-CB-CaB). The Course was provided by Mr. Mehmet Onay, expert of the Central Bank of the Republic of Turkey with participation of relevant members of Central Bank of Republic of Azerbaijan.

**viii. Training Programme on 'Risk Management' at the National Bank of the Kyrgyz Republic**

The Centre organised a training programme on “Risk Management” at the National Bank of the Kyrgyz Republic on 12-13 August 2013, within the framework of OIC Central Banks Capacity Building Programme (OIC-CB-CaB). The Course was provided by Mr. Suat Aydın, Deputy Director, FX Risk Management Division of the Central Bank of the Republic of Turkey with participation of relevant members of National Bank of the Kyrgyz Republic.

**ix. Training Programme on 'Short-term Forecasting at Central Banks' and 'Inflation Targeting Practices' at the Central Bank of the Republic of Turkey**

The Centre organised two consecutive training programmes on ‘Short-term Forecasting at Central Banks’ and ‘Inflation Targeting Practices’ at the Central Bank of Turkey on 25-29 November 2013, within the framework of OIC Central Banks Capacity Building Programme (OIC-CB-CaB). The short term forecasting course was provided by Mahmut Günay and M. Utku Özmen and the inflation targeting practices course was provided by Salih Fendoğlu, Mahmut Günay and M. Utku Özmen with the participation of relevant members of Central Banks of OIC Member Countries.

### III. PLANNED ACTIVITIES IN 2014

Through the received responses of the Central Banks of OIC Member Countries SESRIC is planning the following training courses during 2014:

1. Training Course on “Risk Management” in Uganda
2. Training Course on “Balance of payments” in Malaysia
3. Training Course on “Balance of payments” in Mozambique
4. Training Course on “Balance of payments” in Iraq
5. Training Course on “Balance of payments” in Libya
6. Training Course on “Market Operations” in Qatar
7. Training Course on “Balance of Payments” in Yemen

SESRIC highly appreciates valued cooperation of Central Banks and Monetary Authorities of the OIC Member Countries and their participation in the Capacity Building Programme for Central Banks (CB-CaB) in order to effectively plan and implement training programmes which will, no doubt, add to the specialisation efforts of experts in the OIC Member Countries in general and play an important role in the improvement of human capital in the Member Countries.

In order to participate in the programme you are highly welcomed to download the related questionnaire via <http://www.oicvet.org/cbp-centralbanks.php> and involve in the efforts towards the realisation of the high level cooperation and collaboration among the OIC Member Countries.