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CONVERGENCE
Public-Private Financial Sector Development Program
Bucharest, February 21, 2006

How Can The Romanian Banking Sector Contribute To Improving Financial Intermediation?

On February 21st, Convergence delivered a seminar to the Executive Board of the Romanian Banking Association (RBA) on how the Italian Banking Association (ABI) has made important policy contributions to the development of the Italian financial system. Over the last 5 years, ABI has participated in the design of more than 300 policy changes affecting the conduct of banking business in Italy.

Professor Francesco Cesarini, the Convergence speaker, summarized the management tools and the technical capabilities developed by ABI to become a trustworthy and responsible policy partner. He said: *“The main reasons for ABI’s success must be traced to the highly representative nature of ABI and to its readiness to engage in research projects on new and emerging issues. ABI drew not only on its members’ intellectual resources but also on external counsel and by linking itself with parallel studies conducted by regulatory authorities and independent research organizations.”*

Professor Cesarini is the former Chairman of Unicredit, Banco Ambroveneto, Banca Popolare di Milano and the Italian Stock Exchange.

To help the RBA replicate the ABI model, Convergence has proposed to the authorities and the banks to make available a Romanian expert that will act as Head of Special Projects. Working under the auspices of a Public-Private Steering Committee and domiciled in the RBA, the Head of Special Projects will coordinate analytical studies of possible micro-reforms to improve the efficiency of financial intermediation, conducted by industry working groups with the support of local and international experts.

Convergence has already completed a study on the financial policies of the Romanian Deposit Insurance Fund.

Sponsored by the World Bank, and supported by a grant from Italy’s Ministry of Economy, the “Convergence” Program has been set up to promote the build-up of analytical capabilities in financial economics, banking and finance and legal and regulatory matters within the civil society in order to foster micro-structural market-building reforms conducted in consultation with market participants in its seven countries of operations in South-East Europe¹.

¹ The countries are: Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Macedonia, Romania, Serbia and Montenegro.