



Schweizerische Eidgenossenschaft  
Confédération suisse  
Confederazione Svizzera  
Confederaziun svizra

Swiss Cooperation Office  
South Caucasus

## FACTSHEET (2018)

<b>Project title</b>	<b>Bilateral Assistance and Capacity Building Program for Central Banks (BCC), Phase 2</b>
Project duration	2017-2022
Swiss contribution	CHF 7'000'000 (for entire program)
Project partners	Central Bank of Azerbaijan (CBA); Graduate Institute of International and Development Studies (IHEID)
SCO strategic goal	Effective democratic institutions, human safety and security

### Background

Central banks are critical for macroeconomic and financial sector stability. Their policies matter for economic growth and stability, whether they are related to inflation, interest rates or currency exchange rates. Strengthening their capacities through acquiring new technical skills or developing new macroeconomic models contributes to improved monetary policy, including inflation management.

After the oil price shock, the Central Bank of Azerbaijan (CBA) was mandated to adapt its monetary policy, move to a free-floating currency exchange regime and transition to inflation targeting regime. Such transitions are very complex endeavors and require a lot of modelling and research in order to take informed decisions.



The Central Bank of Azerbaijan is the partner in both phases of the project.

Photo: © SCO Baku

## Project objective

The objective is to strengthen the capacity of Central Banks in selected partner countries<sup>1</sup> to enable them to conduct a sound monetary policy and to ensure financial stability.

## Project activities and project results under Phase 1 (2012-2017)

- Technical assistance and capacity building in monetary policy analysis, macroeconomic accounting, operational risk management or human resource management increased
- Applied research on key monetary issues
- Conferences and seminars in Switzerland and in partner countries
- Specialized training of the central bank staff at IHEID in Geneva
- Revised balance of payment statistics are used in monetary and economic policy analysis, based on a computerized data compilation system
- Project assists CBA in the complex transition to a soft inflation targeting regime
- Several research papers published on key areas of monetary policy.

## Expected project results under Phase 2 (2018-2022)

- Staff of CBA is equipped with necessary skills to implement new monetary policies
- Real sector surveys (business confidence surveys) are undertaken on a regular basis.

## Perspectives

The project was completed by 2017. A second phase is starting in 2018, which requires a careful assessment of the new and additional technical assistance needs of CBA. It is noteworthy that the Swiss National Bank has also stepped up its bilateral technical assistance to the CBA, complementing to the topics offered by this project.



Capacity building for the staff of CBA has contributed to increased performance of the Bank. Photo: © SCO Baku

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<sup>1</sup> Albania, Azerbaijan, Bosnia, Colombia, Ghana, Kyrgyzstan, Peru, Serbia, Tunisia and Vietnam.

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