

COOPERATION JOURNAL



BANCO DE PORTUGAL
EUROSYSTEM

25
YEARS COOPERATION

Biannual publication • no. 7 • year IV • October 2015

Editorial

In this edition of the *Cooperation Journal*, the last of the year in which Banco de Portugal commemorates 25 years of structured cooperation in partnership with other central banks, namely with its counterparts in the Portuguese-speaking Countries, the feature article presented analyses the Bank's model of technical cooperation.

The purpose of this article is to contribute to the evaluation of technical cooperation activity among central banks, based on the experience of Banco de Portugal, aiming to identify the best practices in the Eurosystem, which the Bank is part of.

Issue 7 of the *Cooperation Journal* is, like the previous editions, divided into three parts. As well as the article already alluded to, which appears in the last section, the first part provides a synopsis of the macroeconomic developments of the Portuguese-speaking African Countries and Timor-Leste. The second section presents the cooperation activities undertaken

between January and September of this year between Banco de Portugal and its counterparts in emerging and developing countries, of which the central banks of Portuguese-speaking Countries are noteworthy.

In this special year, Banco de Portugal has continued its mission to strengthen communication regarding its relations with other central banks by publishing, in addition to other events aimed at commemorating this anniversary, and further to its usual editions of the *Cooperation Journal*, a book entitled *25 Years of Cooperation among Central Banks*, available at www.bportugal.pt and www.bcplp.org.

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Economic developments in Portuguese-speaking African Countries and Timor-Leste

Angola

The marked fall in oil prices across international markets, which started in the second half of 2014, had a pronounced negative impact on the Angolan economy. That same year, the economic growth trend in place since 2009 slowed, and is likely to slow even further in 2015. For the second time in the past decade, the economy has posted twin deficits, mirroring the importance of oil revenue to achieve a fully balanced set of public and external accounts. In this adverse scenario, the kwanza depreciated, giving rise to inflationary pressures that interrupted the disinflation process started in mid-2011.

	2012	2013	2014	2015
	Est.	Est.	Est.	Proj.
Real GDP (annual % change)	5.2	6.8	4.4	3.5
Inflation (year-on-year % change)	9.0	7.7	7.5	9.0
Broad money (annual % change)	5.7	13.2	16.2	–
Current account (% of GDP)	12.2	6.7	-2.9	-17.6
Fiscal balance (% of GDP)	6.7	0.3	-2.8	-6.8
External public debt (% of GDP)	19.9	22.7	28.1	36.1

Sources: Banco Nacional de Angola, Ministry of Finances (Angola) and International Monetary Fund.

Cabo Verde

Economic growth in Cabo Verde in 2014 was slowed by the weak economic recovery in Europe and the indirect effect of the ebola outbreak on the African mainland. The consequent fall in gross revenue from tourism led to the deterioration of the external current account. However, the resurgent FDI, repayment of external loans granted by the banks and disbursements of foreign public loans helped to strengthen foreign exchange reserves. In the absence of inflationary pressures, the central bank was able to maintain an accommodative monetary stance, aimed at boosting credit to the economy. The limited economic activity affected public revenue, forcing new containment of the investment programme in order to sustain the State's financing needs, but not without increasing public debt.

	2012	2013	2014	2015
	Est.	Est.	Est.	Proj.
Real GDP (annual % change)	1.1	1.0	1.8	3.0
Inflation (year-on-year % change)	4.1	0.1	-0.4	2.0
Broad money (annual % change)	6.0	11.0	7.3	3.8
Current account (% of GDP)	-13.3	-4.5	-7.8	-9.3
Official reserves (months of imports)	3.8	4.8	5.5	5.1
Fiscal balance (% of GDP)	-10.3	-9.4	-7.3	-8.6
Public debt, excl TCMF (% of GDP)	91.1	101.6	114.2	–

Sources: Banco de Cabo Verde, Ministry of Finance and Planning (CV), Cabo Verde National Institute of Statistics and International Monetary Fund.

Guinea-Bissau

The installation of a democratically elected government enjoying strong popular support was crucial to improving economic conditions in 2014. These political developments have renewed optimism, which led to the resumption of support from traditional donors, contributing to an improvement in external accounts. As for public finances, the deficit worsened slightly, which is partly explained by one-off expenditures (incurred with the elections). The economy slipped into deflation in the first half of the year, but the start of 2015 seems to point to a reversal of this trend. Owing to the return of political instability this summer, the projections for 2015 need to be interpreted with caution.

	2012	2013	2014	2015
	Est.	Est.	Est.	Proj.
Real GDP (annual % change)	-2.2	0.9	2.9	4.7
Inflation (year-on-year % change)	1.7	-0.1	-0.1	2.0
Broad money (annual % change)	-6.0	14.8	31.0	10.9
Current account (% of GDP)	-7.8	-4.5	-1.8	-1.6
Fiscal balance (% of GDP)	-2.1	-1.6	-2.0	-2.2
External public debt (% of GDP)	28.2	28.2	29.6	–

Sources: BCEAO National Directorate for Guinea-Bissau, Ministry of Economy and Finance of Guinea-Bissau, National Statistics Institute of Guinea-Bissau and International Monetary Fund.

Mozambique

Growth in Mozambique continued at a rate over 7 per cent in 2014, driven mainly by mining and quarrying, agriculture and trade, along with a contribution from large-scale projects. The current account deficit continued to be high, due to large imports of goods and services, although at a lower level than in the previous year. Foreign direct investment (despite declining) and the external indebtedness of the State and the private sector have partly offset current account financing needs. Intervention by Banco de Moçambique to sustain the metical has hampered the build-up of official reserves. With inflation under control, the monetary policy stance has remained accommodative, allowing for an expansion of credit to the economy and to general government, which had been subject to pressures on expenditure.

	2012	2013	2014	2015
	Est.	Est.	Est.	Proj.
Real GDP (annual % change)	7.2	7.1	7.2	7.0
Inflation (year-on-year % change)	2.2	3.0	1.1	5.5
Broad money (annual % change)	29.4	16.3	22.2	17.1
Current account (% of GDP)	-41.0	-38.8	-33.2	-39.0
Official reserves (months of imports)	2.7	3.3	3.1	2.7
Fiscal balance (% of GDP)	-3.8	-4.6	-7.8	-5.5
Public debt (% of GDP)	36.7	42.1	46.8	-

Sources: Banco de Moçambique, Mozambique National Budget Directorate, Mozambique National Institute of Statistics and International Monetary Fund.

S. Tomé and Príncipe

The economic development of São Tomé and Príncipe continues to be strongly conditioned by the reduced size of the economy, the costs caused by insularity and the lack of resources, namely financial. Economic growth in 2014 was slightly higher than in the previous year thanks to better export performance in terms of goods (cocoa) and services (tourism). Greater political stability (as a result of elections in October 2014) is expected to consolidate more dynamic growth, leading to improvements in social and economic well-being.

	2012	2013	2014	2015
	Est.	Est.	Est.	Proj.
Real GDP (annual % change)	4.5	4.0	4.5	5.0
Inflation (year-on-year % change)	10.4	7.1	6.4	5.2
Broad money (annual % change)	20.0	14.3	16.5	15.0
Current and capital account (% of GDP)	-23.4	-17.9	-23.0	-15.0
Fiscal balance (% of GDP)	-10.9	-2.0	-6.4	-8.9
Domestic primary bal. (% of GDP)	-3.3	-2.7	-3.6	-2.7
External public debt (% of GDP)	83.3	75.4	72.3	-

Sources: Banco Central de São Tomé e Príncipe, Ministry of Finance and Public Administration (São Tomé and Príncipe) and International Monetary Fund.

Timor-Leste

In 2014, the economy of Timor-Leste (non-oil sector) recovered some of the dynamism lost in 2013. The exploitation of energy resources continued the downward trajectory which started in 2012 as a result of a reduction in production volumes, compounded more recently by the marked fall in the oil price. Despite this, the value of the Petroleum Fund has continued to rise, albeit with a clear deceleration, limiting its capacity to remain the main source of financing for the high levels of public expenditure which have sustained consumption (and consequent imports).

	2012	2013	2014	2015
	Est.	Est.	Est.	Proj.
Non-oil real GDP (annual % change)	7.8	5.4	6.6	6.8
Total real GDP (annual % change)	-10.4	-10.7	-2.8	-12.3
Inflation (year-on-year % change)	11.7	4.0	-0.1	-
Broad money (annual % change)	26.4	23.1	20.2	-
Current account (% of non-oil GDP)	210	172	73	-
Fiscal balance (% of non-oil GDP)	228	141	67	55
Petroleum Fund (% of non-oil GDP)	927	1,074	1,104	1,113

Sources: Banco Central de Timor-Leste, Ministry of Finance (TL) and International Monetary Fund.

Cooperation activity undertaken by Banco de Portugal

Cooperation in 2015

In the first nine months of 2015, 76 cooperation activities took place involving Portuguese-Speaking Countries (PLP) (51 activities) and Other Emerging and Developing Countries (OPED) (25 activities). The total number of activities undertaken until the third quarter corresponds to 68% of the total forecast in Banco de Portugal's

Cooperation Plan for 2015, which envisaged 112 activities.

Although the activities aimed at the PLP are naturally predominant, cooperation with OPED has become ever more important, not only within the context of multilateral initiatives involving the European System of Central Banks (ESCB) and European Union, but also within the scope of the Center for Latin American Monetary Studies (CEMLA). Moreover, this trend reflects the continuity

in Banco de Portugal's affirmation as a partner of reference in cooperation between central banks, seen in the significant increase in requests by other entities which have hitherto not been its traditional counterparts. Until September of this year, the number of activities undertaken with the OPED (25) has been practically double that forecast in the Cooperation Plan for 2015 (13 activities).

The number of activities undertaken until September was below that registered

Chart 1 •
Execution
by Central
Bank/
Institution

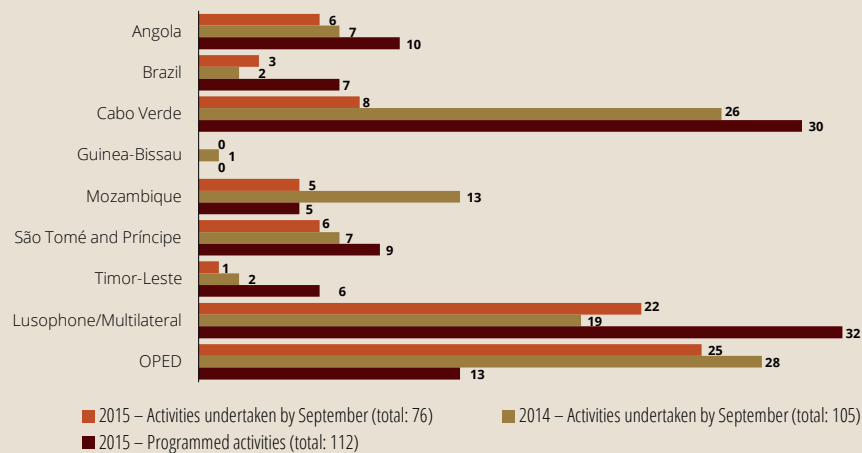
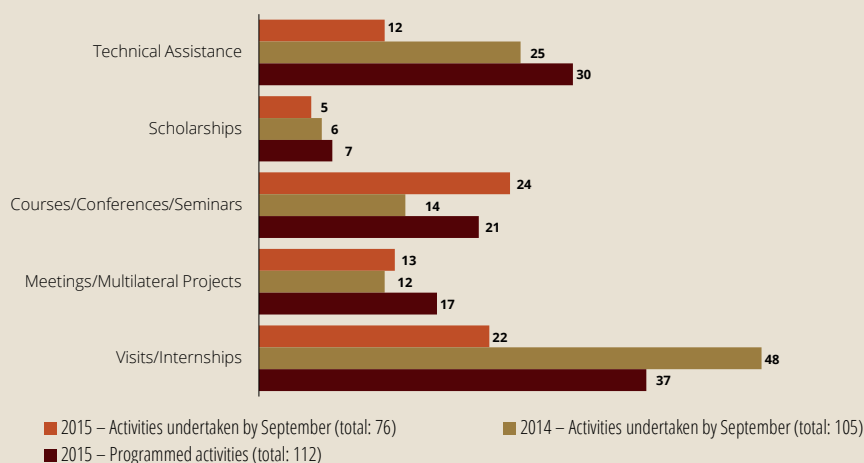


Chart 2 •
Execution
by type of
activity



during the same period in 2014 (29 fewer), with emphasis given to visits/internships and technical assistance activities with Portuguese-speaking central banks.

In order to take advantage of synergies, Banco de Portugal organises courses and seminars every year aimed at the central banks and institutions of Portuguese-speaking countries on themes considered relevant for central banking and which aim to meet the needs expressed by those organisations.

During this year, two projects involving PLP were continued, one on Payment Systems, and the other on Banking Supervision and Financial Stability.

In 2015, and to commemorate the 25th Anniversary of Banco de Portugal's Cooperation Activity, various initiatives were carried out, some of which deserve a special mention, namely the International Conference on "Funding and Investment Policies: Debt Sustainability and Limits on Indebtedness" (which

took place on the day after the XXV Lisbon Meeting), the publication of the book *25 Years of Cooperation* among Central Banks as well as the development of the project to compile the *Historical Macroeconomic Series of the Portuguese-Speaking Countries*, culminating in their publication in June (the Conference contents, book and Historical Series are available at www.bportugal.pt and www.bcplp.org).

Cooperation activities 2015 (undertaken by the end of September)

Country	Type of activity	No. of activities	Subject areas of the activities
Angola	Visits/Internships	6	Statistics. Issue and Treasury . Payment Systems. Reserve Management. Banking Supervision.
Brazil	Visits/Internships	3	Cooperation and International Relations. Banking Supervision.
Cabo Verde	Technical Assistance	4	Cooperation Agreements/Macroeconomic Monitoring. Audit. Trust Fund Management.
	Scholarships	2	Scholarship.
	Meetings	1	Cooperation and International Relations.
	Visits/Internships	1	Payment Systems.
Mozambique	Scholarships	2	Scholarship.
	Meetings	1	Cooperation and International Relations.
	Visits/Internships	2	Reserve Management. Payment Systems.
São Tomé and Príncipe	Technical Assistance	2	Cooperation Agreements/Macroeconomic Monitoring.
	Scholarships	1	Scholarship.
	Courses/Seminars	1	Statistics.
	Visits/Internships	2	Issue and Treasury. Payment Systems.
Timor-Leste	Visits/Internships	1	Pension Funds
Multilateral/Lusophone	Conferences	2	Audit. Economic Research.
	Courses/Seminars	10	Accounting. Economic Research. Issue and Treasury. Reserve Management. Risk Management. Monetary Policy. Payment Systems. Banking Supervision.
	Meetings/Projects	10	Legal Affairs. Accounting. Cooperation and International Relations. Statistics. Risk Management. Payment Systems. Information Technology. Banking Supervision.
Other emerging and developing countries	Technical Assistance	6	Cooperation and International Relations. Risk Management. Payment Systems.
	Courses/Seminars	11	Audit. Cooperation and International Relations. Statistics. Payment Systems. Administrative Services.
	Meetings	1	International Relations
	Visits/Internships	7	Statistics. Economic Research.
Total		76	

Article

Technical cooperation of Banco de Portugal*

Maria João Azevedo | Banco de Portugal – International Relations Department

In the year in which Banco de Portugal commemorates 25 years of structured technical cooperation among central banks, it is time to take stock and

above all, to ask new questions: how is the future of the Bank's cooperation seen? what are the new channels? what can be improved? This article presents a

definition of technical cooperation, characterises the model, and considering the questions asked, aims to contribute to possible answers.

Introduction

The sharing of experiences between central banks is a historic practice. Since the creation of the Bank for International Settlements (BIS) in 1930, an international network of contacts between the main central banks has been created. Including various dimensions, from the most inclusive forms of cooperation such as exchange rate agreements or financial facilities, or even the adoption of common standards and practices, to so-called technical cooperation, central banks are among the institutions which have launched common international projects most intensely, especially in recent decades, which have been marked by the rapid evolution of technologies and techniques with a great impact on central banks' remits and operating systems.

Focusing on technical cooperation with central banks of emerging and developing countries, the definition used by Francesco Mazzaferro was adopted – “technical cooperation or technical assistance comprises those supportive actions through which central banks transfer their expertise, share best practices, contribute to capacity building or

make human capital available to each other.”¹ But, and quoting Mazzaferro from the same article once again, “While the essence of technical assistance among central banks is the transfer of expertise, its ultimate goal goes beyond it. When they put their expertise at the disposal of their peers, central banks do not only help each other to reach high levels of professionalism, independence and transparency, but also contribute to promoting monetary and financial stability globally.”

Banco de Portugal has undertaken technical cooperation with the central banks of emerging and developing countries for a long time, but it took on a more structured and coordinated form 25 years ago. In practice this currently means the realisation of a vast and diverse range of activities, including most of the Bank's Departments: each year approximately 110 activities take place, some half of which are held in Portugal involving roughly 300 experts from the Bank and over 500 experts from the other central banks, of whom 200 are our guests in Portugal. Within the scope of the aforementioned cooperation relations, the

Bank is in contact with over 60 central banks worldwide.

At the current time, considering the evolution of our partners and of new technologies and the increasing restrictions on resources, in order to take advantage of 25 years' experience², benchmarks and best practices are identified in order to make the cooperation activity more efficient.

We aim to characterise Banco de Portugal's model of technical cooperation by identifying a series of parameters and comparing them, whenever possible, with those of the Eurosystem.

* The opinions expressed in this article are of the exclusive responsibility of the author and may not necessarily coincide with the positions of Banco de Portugal or the Eurosystem. Any possible errors or omissions are the exclusive responsibility of the author. The author thanks Joel Alves, an economist with the International Relations Department, for his assistance.

Characterisation of the Cooperation Model

This text identifies and analyses the most significant characteristics (parameters) of Banco de Portugal's model of cooperation, both from the demand and supply side.

From the demand side, the focus is on (i) the geography of the beneficiary countries or counterparts, (ii) the main areas of activity, (iii) the type of activity and (iv) the bilateral versus multilateral (cross-regional) framework.

From the supply side: (i) governance and accountability, (ii) communication/information, (iii) use of IT information and communication tools and (iv) the bilateral or multilateral (co-participation of other institution(s)) framework.

The timeframe considered goes from 2005 (first year for which Eurosystem data are available) to 2014³, and the unit of reference (when quantified data are presented) is the number of business days used⁴. Due to the great structural and organisational diversity between

Eurosystem NCBs, the statistical strength of this exercise is limited.

Demand side:

a) Geographical focus

Based on historical and cultural roots, cooperation with the Portuguese-speaking Countries' central banks, the majority of which are located in Sub-Saharan Africa, is a priority taken up by Banco de Portugal. However, being a demand-driven activity, the Bank receives requests from central banks in various regions of the world, the number of which was especially relevant during the various stages of enlargement of the European Union.

The geographical predominance of Banco de Portugal's cooperation is not common to the Eurosystem, despite Africa's growing importance for this group. The EU candidates and potential candidates

present, overall, the largest number of Eurosystem activities, although the numbers for this group fell substantially in 2014, bringing the level to values close to those of Sub-Saharan Africa. The large increase in cooperation activity in 2014 (shown in the chart) between the Eurosystem and "Other", is due to the inclusion in that year of data for Latin America and Asia.

b) Main areas of activity

The cooperation activity covers all the areas of central banking, although the core central banking functions are the most sought after. In order to enable a comparison, this exercise considers the areas used in similar publications within the scope of the Eurosystem (and other suppliers of cooperation): statistics, governance, central bank operations, monetary policy, supervision and financial stability, technical issues and other (horizontal issues – basically activities in which various topics are addressed)⁵.

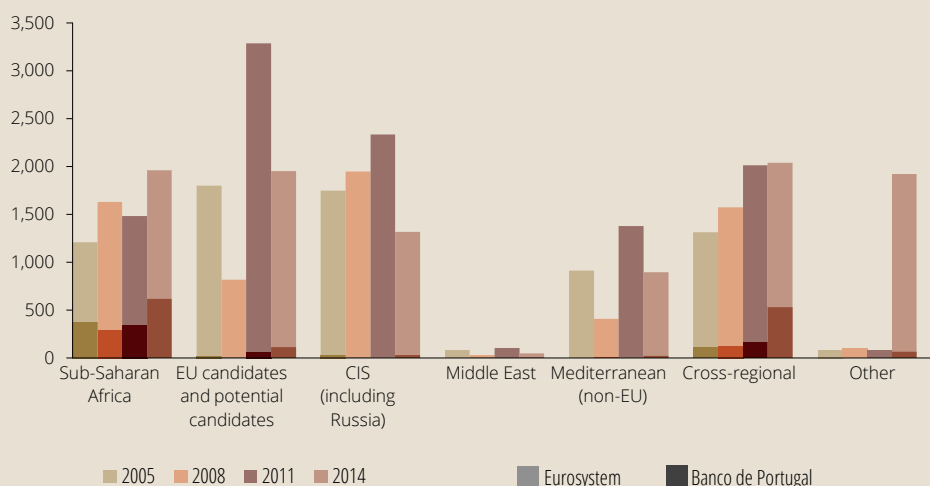


Chart 1 •
Geographical
focus

In business days

Supervision and financial stability represent, practically throughout the time-frame considered, but especially since 2011, the dominant area of cooperation activity of the Eurosystem. In the case of Banco de Portugal, distribution is more uniform, although monetary policy⁶ and central bank operations are more significant. It is also worth noting that there was a significant increase in 2014 of activities related to governance and statistics.

c) Type of activity

Technical cooperation encompasses a wide variety of activities, from technical assistance to courses and seminars. The classification used by the Eurosystem⁷ was also adopted, which includes the following types: technical assistance,

resident advisers, training, study visits/consultations and other.

In terms of activity type, there is no identical pattern in the Eurosystem and Banco de Portugal. In the former, training is in the majority, whereas in the case of Banco de Portugal, study visits/consultations are predominant. On the other hand, technical assistance – possibly the activity with the greatest direct impact in terms of institution building – has a greater relative share in the case of the Bank.

d) Bilateral *versus* multilateral (cross-regional) framework

Taking advantage of synergies among the various central banks asking for the activities, demand is very often aimed at

multilateral or regional activities (benefiting more than one central bank), thus permitting not only more efficient allocation of resources, but also an exchange of experiences among participants. In this context, experts' meetings have proven to be, especially in the scope of Portuguese-speaking Countries' central banks, a very useful and dynamic component, often serving as a catalyst and facilitator of subsequent bilateral activities.

In the Eurosystem, the proportion of multilateral or regional activities remained stable throughout the time-frame analysed. In Banco de Portugal, these have become more important, reaching 42 per cent of the total of resources involved in cooperation activities in 2014.

Chart 2 •
Areas of activity

In business days

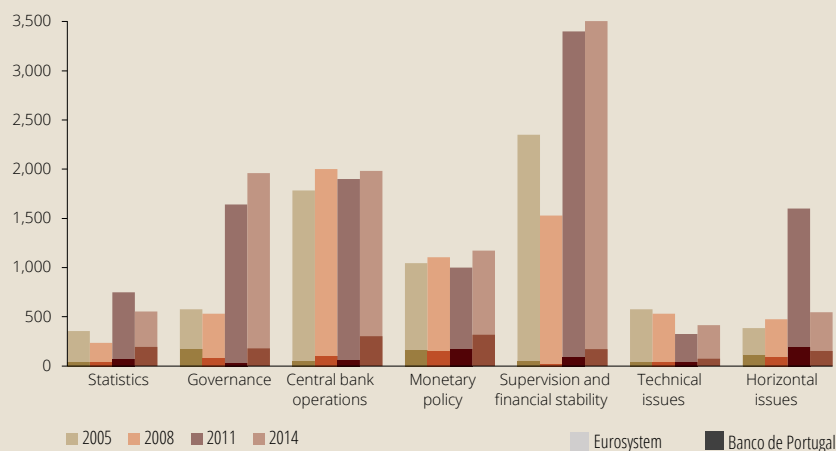
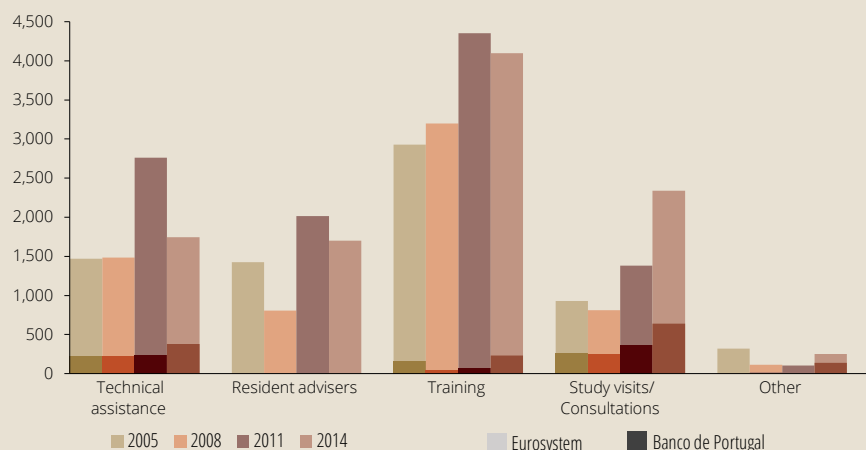


Chart 3 •
Type of activity

In business days



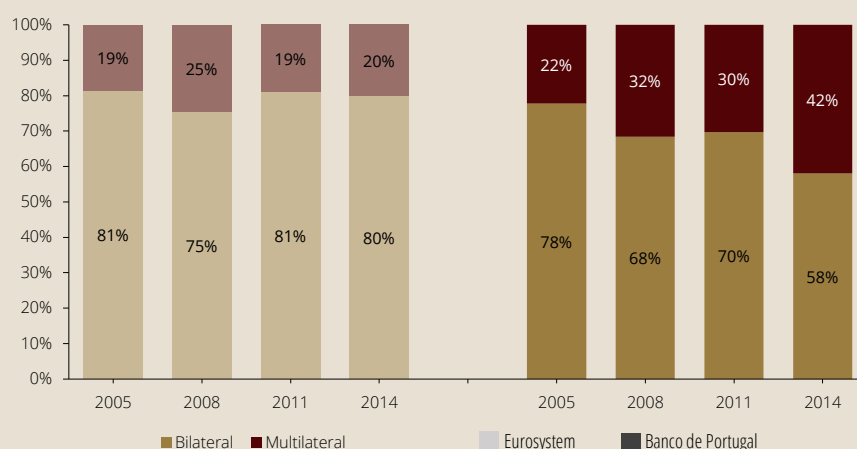


Chart 4 •
Bilateral vs.
multilateral
(cross-regional)
framework

In business days,
per cent

Supply side:

a) Governance and accountability

The annual report on cooperation activity and the planning for future activities are analysed and approved by the Board of Directors following broad internal discussion, promoted by the International Relations Department and involving most Departments of the Bank. The document (Cooperation Plan) is released and discussed among the Portuguese-speaking Countries' central banks and publicised on the institutional website of Banco de Portugal (www.bportugal.pt) and on the website of the Portuguese-speaking Countries' Central Banks (www.bcplp.org), in the latter case with the publication of the Programme of International Meetings and Seminars.

The sums involved in the cooperation activity are reported by the Bank within the framework of the European System of Central Banks (ESCB)/Eurosystem and the Ministry of Foreign Affairs in order to calculate Portuguese Official Development Assistance⁸ (subsequently released publicly).

Banco de Portugal is among the 35 per cent of the Eurosystem's Central Banks which regularly disclose quantitative information on cooperation activity, on dedicated platforms.

b) Communication/information

Through specific publications, external and internal communication regarding cooperation activity has grown substantially in recent years. Externally, this evolution has accompanied overall trends in accountability of the resources used⁹.

In addition to the aforementioned publications on cooperation, the activity undertaken by Banco de Portugal also incorporates an important additional element for public dissemination of a vast range of information on issues relating to emerging and developing economies. This includes the annual edition of *Economic Developments in Portuguese-speaking African Countries and Timor-Leste*, which includes an analysis of the macroeconomic environment of each country under review (available in Portuguese and English), and *#Lusofonia* (annual versions in English and Portuguese), containing socioeconomic data

about each of these countries as well as the group as a whole, at a global level.

Banco de Portugal is among the 20 per cent of the Eurosystem's Central Banks which regularly publish specific publications on cooperation activity.

c) Use of IT information and communication tools

New technologies and information systems are ever-more common tools in managing institutions' activity. In the case of Banco de Portugal's cooperation activity, use of these tools remains limited. Although the programming and execution of the programmes/projects is done using IT, enrolment in the activities is not yet done online. The use of video- and teleconferencing is limited, as is distance-learning (such as webinars, online courses/self-education).

Despite some of the technological solutions mentioned not being available as necessary in some counterpart institutions, thus preventing their systematic use, it is equally true that from a supply side point of view, more could be done to implement them.

Banco de Portugal is among the 85 per cent of the Eurosystem's Central Banks which do not have widespread use of IT tools. The Bank will seek to adopt such tools in the future, as it improves and makes the area dedicated to cooperation on its institutional website more autonomous.

d) Bilateral *versus* multilateral framework

The experience of Banco de Portugal of participating in cooperation activities within a multilateral framework (when there is more than one supplier or funding from more than one source) has been quite positive. By allowing: (i)

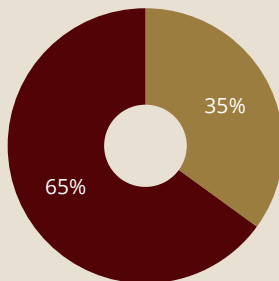
participation in projects which due to their scale and dimension, the Bank would have difficulty offering without a partner; (ii) the sharing of experiences within the best practices in the field of central banking; and (iii) the assessment of the quality of the services, based on equal and transversal parameters for all participants, in an international sphere of excellence (ESCB, IMF, BIS, etc.); the model adopted by the Bank enables, whenever possible, such participations. On the other hand, and concerning the projects within the scope of the ESCB, the flexibility adopted in terms of the different management models implemented have allowed the amount of resources available in each NCB to be

adapted/integrated according to the needs of demand, satisfying very different approaches, from the biggest to the smallest banks of the ESBC.

The information quantified regarding this element is not available for the Eurosystem for the timeframe considered.

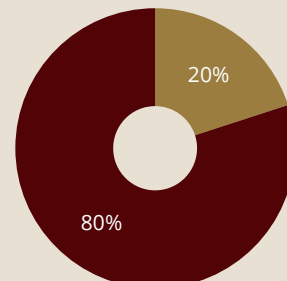
The data referring to Banco de Portugal show that its participation in cooperation activity co-participated or co-financed by another institution (mostly the IMF and the EU) has essentially remained at the same level, in absolute terms, throughout the timeframe under analysis. The increase in activity registered in 2014 signifies, therefore, a break in terms of relative share of multilateral activities.

Chart 5 • Provision of quantitative information by the Eurosystem



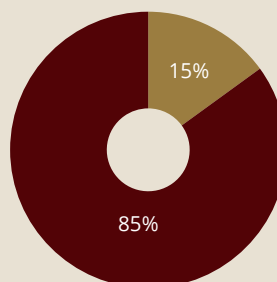
■ Percentage of Central Banks which disclose quantitative information on cooperation
■ Percentage of Central Banks which do not disclose quantitative information on cooperation

Chart 6 • Availability of regular publications by the Eurosystem



■ Percentage of Central Banks which regularly publish information on cooperation
■ Percentage of Central Banks which do not regularly publish information on cooperation

Chart 7 • Widespread use of IT tools by the Eurosystem



■ Percentage of Central Banks with widespread use of IT tools
■ Percentage of Central Banks without widespread use of IT tools

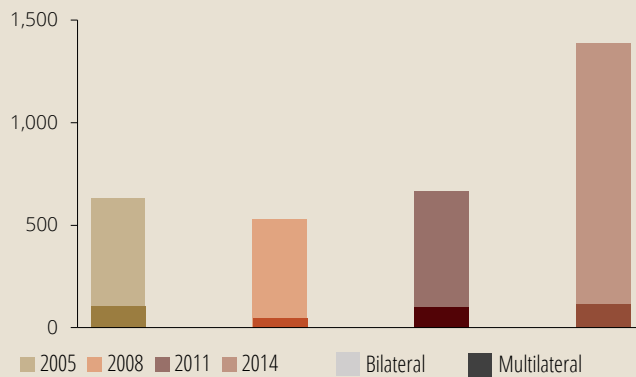


Chart 8 •
Banco de Portugal,
bilateral vs.
multilateral
(co-participation
of other
institutions)
framework

In business days

Conclusion

The benchmarking exercise presented allows the identification, on the one hand, of the singularities of Banco de Portugal's cooperation activities, by analysing the demand indicators and, on the other hand, the effectiveness or performance factors, by comparing the instruments used in supply.

Singular characteristics determine that the cooperation creates a specific demand, to which Banco de Portugal responds with flexibility, using instruments and solutions which adapt to and accompany the evolution of the institutions and procedures.

Despite the overall impact of the cooperation activity being difficult to quantify, there is certainly room for improvement, which the Bank will look into. Without wishing to undertake an exhaustive exercise, some possibilities would be, for example, at the level of training activities, to clarify their sequence, incentivise the sharing of experience through departmental seminars in the originating Banks following courses/seminars, improving integration between training and technical assistance activities, or even prioritising best performers.

On the supply side, it would be worthwhile to explore new channels, through widening partnerships with other suppliers/institutions, or through new technological applications, using, whenever possible, new technological instruments and tools in cooperation activities. The effort that has already been made to grant more autonomy to and improve the material related to cooperation on the institutional website should also continue.

ANNEX

Areas of Intervention (clarification where necessary):

Statistics;

Governance – includes issues related to legal, human resources, accounting, internal audit and communication;

Central bank operations – includes monetary policy implementation and foreign exchange policy implementation, risk management, banknotes and payment systems;

Monetary policy – includes economic analysis and research and foreign exchange policy;

Supervision and financial stability – includes anti-money laundering;

Technical issues – includes IT, security and premises;

Horizontal issues – when various topics are covered, rendering it impossible to separate them by different areas.

Types of Activities:

Technical assistance – transfer of knowledge and advice, at expert level, with the aim of enhancing or modifying instruments and/or procedures. The result will produce a change to the way in which the task is carried out (institution building);

Resident advisers – experts appointed for a long period of time. Consultancy may cover one specific field or general policy advice;

Training – lectures, seminars, workshops or courses both in general and in specific areas of activity of central banking. The result produces a change in the ability

of the trainees to carry out their tasks (capacity building);

Study visits/consultations – internships, which are usually undertaken by experts from the beneficiary institutions at the NCBs in the Eurosystem, essentially constitute a dialogue among specialists and/or high-level meetings, in order to establish contacts, exchange experiences and encourage possible future cooperation activities;

Other – residual category not covered by any of the classifications above. In the case of Banco de Portugal, it essentially includes multilateral projects to be carried out remotely, through partnerships among various banks.

Notes

1. Francesco Mazzaferro in The Eurosystem as a Provider of Technical Assistance to EU Neighbouring Regions, *ECB Monthly Bulletin*, July 2008.
2. See amongst others, *25 Years of Cooperation among Central Banks*, June 2015, <http://www.bportugal.pt/en-US/Publicacoes/Intervencoes/Banco/Cooperacao/Tumbnails%20List%20Template/25%20years%20of%20cooperation%20among%20Central%20Banks.pdf>
3. Since 2008, data are only available every three years, and therefore the series used has followed this pattern starting in the first year (2005). However, there are no uniform criteria throughout the timeframe, either in terms of the donors considered (the dimension of the Eurosystem has undergone changes), or in terms of the beneficiaries. Between 2005 and 2011, neither Latin America nor Asia were considered (only the so-called EU Neighbouring countries). In 2014 the rest of the world was taken into account.
4. Only business days allotted to cooperation activities are considered. The human resources dedicated to the activities' coordination/management, including those of the training centres, if any, are not included in the numbers presented. The values for year n correspond to the period from October in year n-1 to September in year n.
5. See methodological explanations in the Annex.
6. The participation of Banco de Portugal in the Exchange Rate Cooperation Agreement between Portugal and Cabo Verde, and in the Economic Cooperation Agreement between Portugal and São Tomé and Príncipe are included in the monetary policy area.
7. See methodological classifications in the Annex. Banco de Portugal, within the scope of its cooperation activity, awards scholarships to staff of the central banks of Portuguese-speaking Countries. As there are no data on this form of cooperation for all the NCBs of the Eurosystem, scholarships have not been included in this exercise.
8. Portugal, whilst a member of the OECD Development Assistance Committee reports the value of its Official Development Assistance through Camões – Instituto da Cooperação e da Língua, I.P. (Ministry of Foreign Affairs).
9. In addition to publishing its activities on the aforementioned websites, the Bank publishes the Cooperation Journal biannually, containing information on cooperation relations, the macroeconomic development of the Portuguese-speaking Countries and articles on the most important topics of the international development agenda. Internally, the *Quarterly Cooperation Activity Bulletin* summarises the cooperation activities undertaken in each period under consideration.