

3. INSTITUTIONAL CAPACITY DEVELOPMENT

The objectives, activity, and human resources policies aim to create a motivational work environment that serves, among other things, to develop professional capacities of employees, adopt the best standards of central banks in this area, as well as continuously improve the administrative processes of the institution.

HUMAN RESOURCES

Pursuant to the medium-term strategic objectives of the institution, the human resources management policy has focused on the acquisition and implementation of the best human resource management practices applied in similar institutions in the European Union. The pursuit of proactive policies on employment, management and career promotion of human capacities for a structured professional and flexible organization remains a priority of the institution. These policies primarily aim at rationalizing the organizational structure and improving the Bank's effectiveness, in line with its strategic objectives and the relevant regulatory framework.

Effective human resources management attaches particular importance to adapting the institution's regulatory infrastructure to the best standards, as well as offering promotion opportunities for professional employees, aiming at increasing employee motivation. Also, through policies for professional motivation, the goal is to retain the staff, one of the main challenges faced by central banks.

Gender representation at the level of specialists and managers is balanced. The ratio of women to men in total employees is 58% - 42%, while this ratio at the management level is 56% - 43%.

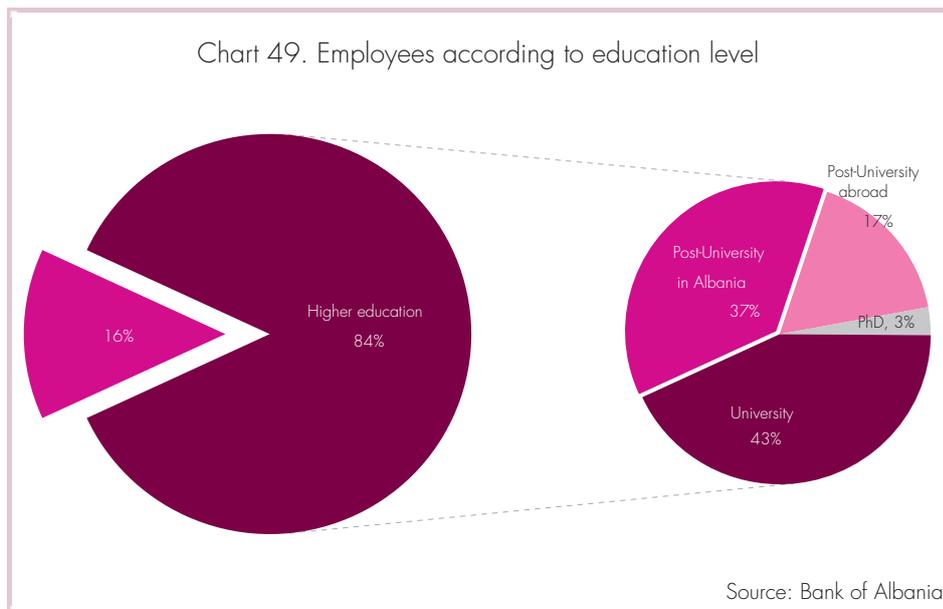
During 2017, within the legal changes in the field of banking, some changes were made to the organizational structure of the Bank. These changes aimed to improve and strengthen some important processes, like better adaptation of the structures of some of the Bank's units with specific tasks stemming from the objectives and activity of the institution as well as the creation of a new organizational unit that will exercise the function of the resolution authority, a function the Bank of Albania did not have.

The Bank of Albania has consistently paid attention to combining experience with innovation, within departments and beyond. Currently, the average age of



the staff is 43 years old. About 57% of employees have completed postgraduate studies at the Master / PHD level, and have obtained internationally-recognised professional certificates, while 2% of employees are studying to get them.

As noted in the chart No 49 84% of employees in the Bank have higher education. 37% have completed postgraduate studies in the country and 17% in prestigious universities abroad.



Another important element of human resources policy is the identification of interpersonal and professional skills and their usage to train and build professional capacities of the employees. Bank of Albania staff has grown professionally, as a result of the professional trainings they have attended in Albania and abroad. Participation in these specialized training, organized by central banks, international financial institutions (IFIs) or other institutions, besides increasing the professional knowledge, serves the staff of the Bank also to exchange professional and managerial experiences with representatives of these institutions. Below, we graphically present the training activities according to the organizers.

As noted from the chart No.50, the highest participation in training (37%) was respectively in European central banks of Germany, Italy, the Czech Republic, the Netherlands, France, the European Central , etc. The trainings conducted by International Financial Institutions account for 25% of the training courses attended, namely: International Monetary Fund, EBRD, BIS. About 35% of training courses has been offered in cooperation with other

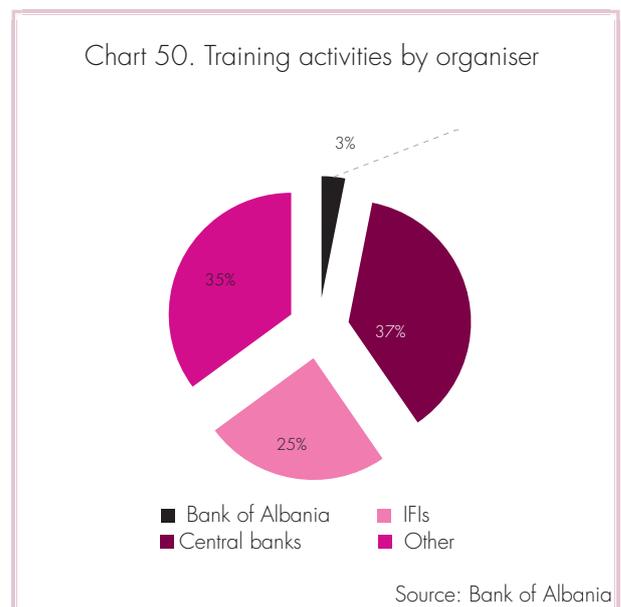
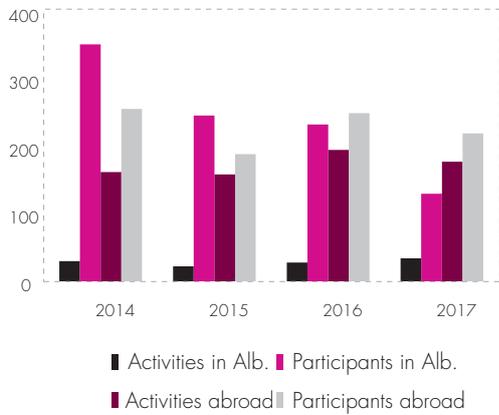


Chart 51. Training activities and participation in Albania and abroad



Source: Bank of Albania

organizers such as JVI (Joint Vienna Institute), European Commission, EBA, EUROSTAT, IFC, JP Morgan, CEF (Center for Excellence in Finance).

Compared with 2014, in 2016 and 2017, the number of training courses organised abroad decreased, enabling a fairer and more targeted distribution of activities. Most of the professional trainings in 2017 were carried out in the field of Financial Stability (12.89%), Monetary Policy (12.44%), Banking Supervision (9.78%), Central Banking (9.78%) and Financial Statistics (8.89%). The rest of the training has been organised in areas such as: internal auditing, currency issuance and money management, statistics, accounting and finance, economics and models, etc.

It should be noted that the largest number of professional training is focused on building the central bank's institutional capacity to fulfil its core functions.

AGREEMENTS AND COLLABORATION

Within the three-year programme as part of the SECO agreement (Swiss State Secretariat for Economic Affairs), in 2017, four workshops were organized with lecturers from prestigious Institutions / Universities. Thirty-four employees from various departments of the Bank participated in these activities. Also, within this cooperation, four staff participations were recorded in the IV Annual Conference organized by SECO and the Graduate Institute of International and Development Studies (GIIDS).



SOCIAL POLICIES AND SOCIAL RESPONSIBILITY

The Bank of Albania aims to maintain and to further strengthen social values, increase the awareness of its employees in terms of support for vulnerable groups or various social causes. Examples of these efforts are initiatives to support financial education, create a better environment for vulnerable communities, and volunteer activities to contribute to improving the quality of life for the marginalized segments of the society. Based on the law "On the Bank of Albania", the latter cannot allocate financial aid or donations. Yet, within social responsibility and civic sensitivity, during 2017, employees have voluntarily contributed to various humanitarian activities as a moral response to the achievement of common community goals.

On 1 June, on the "International Children's Day", Bank employees provided monetary and material support (gifts from employees), on a voluntary basis, for the purchase of sports clothing, teaching aids, computers and professional printers, and others items, according to the needs presented by the "Institute of Blind Students - Ramazan Kabashi", Tirana.

In cooperation with the "Albanian Red Cross" and the "Blood Donor Centre", on the occasion of World Blood Donor Day, in May, the Bank's employees expressed solidarity with the humanitarian initiative for voluntary blood donation as an act of humanity to help the sick people in need.

On 2 April 2017, the Bank of Albania's central building was decked in blue to mark the World Autism Day as part of a common national awareness raising initiative for it. On the occasion of the end of the year, a sale of postcards prepared by the children of the village "SOS" and the children of the "Down Syndrome Foundation" was organized, at the premises of the Bank. Profits from the sale of cards will be used to meet their needs.

