

6. MEDIUM-TERM DEVELOPMENT STRATEGY OF THE BANK OF ALBANIA 2025-2027

The Medium-term Development Strategy sets out the institutional objectives of the Bank of Albania over the period 2025-2027, serving also as a guide for preparing the planned medium-term budget. These objectives also include the recommendations of the Assembly Resolution for the evaluation of the activity of the Bank of Albania.

In accordance with tasks determined in the organic law, the priorities in the activity of the Bank of Albania are:

- a) Strengthening the efficiency, effectiveness of monetary policy, and the quality of decision-making, through (i) expanding the instruments of monetary policy to address new challenges; (ii) enhancing cooperation with the banking sector and other authorities for the development of the money market; and (iii) fulfilling the requirements for aligning the legislation with the Economic and Monetary Union.
- b) Preventing systemic risks and the increase of the financial system's resilience, based on (i) the enrichment with macroprudential instruments targeting structural systemic risks; (ii) the enhancement of monitoring and analysis of the system's exposures to specific products and markets; (iii) the improvement of the supervisory framework in accordance with the requirements of Basel III and European legislation; (iv) the harmonization of the credit risk management process with the practices of the European Union; (v) the regular updating of the methodology for determining the minimum requirement, in the capacity of the Resolution Authority.
- c) Promoting the smooth operation of payment system through: The implementation of an Instant Payments system with the Bank of Italy and (ii) accelerated participation in the Single Euro Payments Area (SEPA) by taking measures for the continuous updating of the regulatory and legal framework.
- d) Preserving public confidence in Albanian banknotes and coins, and meeting the increasing needs of the economy for cash that is suitable for circulation.
- e) Increasing investment capacities in line with the growth of foreign exchange reserves and including new classes of financial instruments for a more diversified portfolio.



- f) Compiling and disseminating statistics through the development of skills for data reporting and the use of real-time visualization tools.
- g) Enhancing the presence of the Bank of Albania in social media with an understandable language and the organisation of various activities for strengthening financial education and literacy in Albania.
- h) Updating the general accounting framework, network infrastructure and IT security as well as strengthening of the internal control system.
- i) Improving and modernizing the regulatory framework for overseeing cyber risk and aligning it with European legislation.



