



National Bank of Serbia

# Looking to the Future

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- Sovereign debt crisis and “austerity” measures
  - interaction between monetary and fiscal policy
  - interaction between monetary policy and financial stability goals
- Decreasing availability of global sources of financing
  - development of local financial markets
  - finding alternative sources of financing
- Basel III and G-SIB regulation
  - consequences for CEE countries
- Deleveraging process in euro area and its impact on CEE countries



# Challenges for Central Banks

- Interaction between monetary and fiscal policy
  - role of fiscal policy rules and councils
- Interaction between monetary policy and financial stability goals
  - efficiency of monetary policy
  - reducing high FX risk in euroised economies
  - additional monetary policy tools to affect euroised part of economy
  - should we care more about exchange rate
  - role of macroprudential instruments and how to combine them with standard monetary policy tools
- Development of local financial markets
  - development of the yield curve – short-run costs vs. long-run gain
  - development of the money market - excess liquidity, non residents
  - development of the FX hedging market - plain vanilla vs. structural products



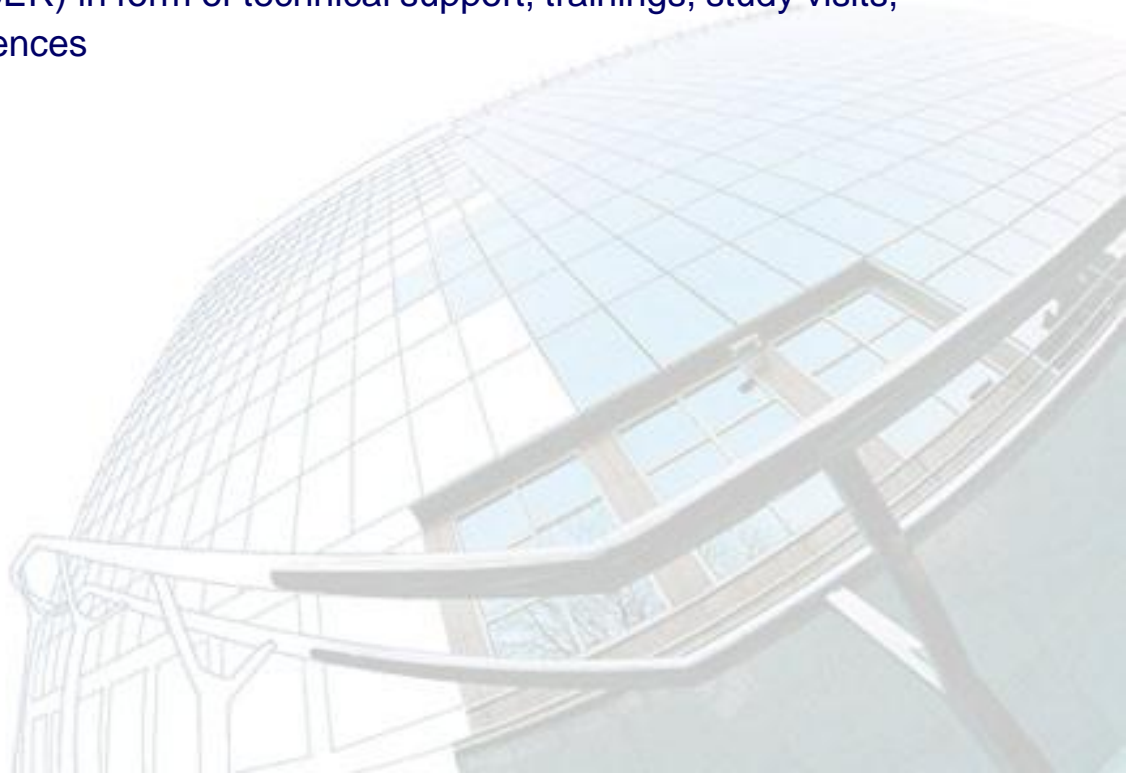
## Challenges for Central Banks (2)

- Regulation and deleveraging consequences for CEE countries
  - understanding the impact of global regulation (Basel III, G-SIB) on domestic system in CEE countries
- Improving employees analytical capacity to implement new models, supervise internal risk models, monitor financial market development and improving statistical capacities



# JVI As an Important Part of Capacity Development

- In last three years 110 NBS employees attended JVI courses
- Besides JVI, NBS cooperates with other institutions (ECB and Eurosystem central banks, regional central banks, CCBS, NBER) in form of technical support, trainings, study visits, expert panels, workshops, conferences



# Looking to the Future

- Regional and/or similar countries group focus (e.g. inflation targeting countries)
- Interaction between developed and developing countries helps exchange best practices
- More hands-on practical trainings
- More effort to include undergoing topical issues such as G-SIB regulation
- Shorter one-week courses due to strained human resources in small developing central banks
- Follow-up assessment might be useful, but only with top quality trainers, as it requires additional human resources in central banks
- Country-specific training courses can be helpful to improve e.g. internal communication in central banks (e.g. writing-up skills) or basic econometrics skills, while more general topics benefit from cross-country participant structure



# JVI`s Governance Structure

- **Advisory Committee** might benefit from further inclusion of recipient countries representatives as it should:
  - enhance “feedback” on eligible countries’ specific training needs
  - strengthen further coordination between TA donors and recipient countries
  - provide a channel to enhance post-training monitoring of the results

