Luxembourg Cooperation Policy in the field of Banking and Finance

Jacques Grosjean
Research Director
Financial Technology Transfer Agency,
Luxembourg
Luxembourg Cooperation Policy

% of GDP for public development aid:

1. Danemark : 1.01 %
2. Norway and Netherlands : 0.83 %
6. Luxembourg : 0.78 %
7. Sweden : 0.76 %

Target : 1% of GDP
Total GDP in 2006 : 29.4 billion euros
Luxembourg Cooperation Policy

- Lux-development: yearly budget: over 60 million euros
- ATTF: yearly budget: 2.5 million euros
Financial Technology Transfer Agency, Luxembourg (ATTF)  
Agence de Transfert de Technologie Financière, Luxembourg  

- Created 6/10/1999  
- Stock company ("Société Anonyme")
Major Founder:
- The State of the Grand-Duchy of Luxembourg (52%)

Other Founders:
- Central Bank of Luxembourg (BCL)
- Chamber of Commerce of the Grand Duchy of Luxembourg
- Federation of the Professionals of the Financial Sector (PROFIL)*
- Financial Sector Supervisory Commission (CSSF)
- Institute for Training in Banking, Luxembourg (IFBL)
- University of Luxembourg
* Federation of the Professionals of the Financial Sector (PROFIL)

- **Banks**
  - Association des Banques et Banquiers, Luxembourg (ABBL)

- **Investment Funds**
  - Association Luxembourgeoise des Fonds d’Investissement (ALFI)

- **Insurance Companies**
  - Association des Compagnies d’Assurance (ACA)

- **Stock Exchange**
  - Société de la Bourse de Luxembourg S.A.

- **Auditors**
  - Institut des Réviseurs d’Entreprises (IRE)

- **Chartered Accountants**
  - Ordre des Experts-Comptables (OEC)

- **Banking electronic system**
  - Centre de Transferts Electroniques (CETREL)

- **Other financial companies**
  1. **Brokers**
     - Association des Professions de la Finance, Luxembourg (APFL)
  2. **Wealth managers**
     - Association Luxembourgeoise des Professionnels du Patrimoine (ALPP)
8 staff members (permanent)

+ 80 experts (non-permanent)
  - Senior bank managers, freelance consultants
  - Senior public consultants
  (mostly based in Luxembourg)
Main Objectives

Technical assistance to partner countries

- Strengthening of financial structures
- Support of sustainable development and fight against poverty
- Proposing specific study visits

Promotion of Luxembourg Financial Centre in partner countries

- Initiating and setting up contacts
- Participating in promotion actions
Technical assistance

- **Strengthening of financial structures**
  - Provide ...
    - Training / consultancy
  - In ...
    - Financial matters
  - In ...
    - Luxembourg / the partner countries
Technical assistance

- Support of sustainable development and fight against poverty
  - Directly: microfinance programmes
  - Indirectly: strengthening of financial structures
Main Objectives

Technical assistance

• Proposing specific study visits

  ▪ Through a « Discover the Luxembourg Financial Centre » programme held in Luxembourg :
    ➢ Composed of coordinated presentations and visits of financial institutions
    ➢ Focusing on general or specific topics
    ➢ Flexible duration
Main Objectives

Promotion of Luxembourg Financial Centre

- **Initiating and setting up contacts and links**
  - *Between* ...
    - Banks / bankers
  - *From* ...
    - Partner countries and Luxembourg
Main Objectives

Promotion of Luxembourg Financial Centre in partner countries

- Participating in promotion actions
  - By being associated:
    - In official missions abroad
    - In reception of and presentations to official foreign delegations in Luxembourg
Partner Countries / Regions (presently 34)

- New EU Members:
  - Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, Slovenia
  - Bulgaria, Romania (from 01/01/2007)

- Emerging Countries/Régions:
  - Eastern and Southern Europe: Bosnia and Herzegovina, Croatia, Kosovo, Macedonia, Moldova, Montenegro, Russia, Serbia, Turkey, Ukraine
  - Caucasus: Azerbaidjan, Georgia
  - Africa: Cape Verde, Egypt, Tunisia
  - Latin America: El Salvador
  - Asia:
    1. Central: Kazakhstan, Uzbekistan
    2. Far East: China, Laos, Mongolia, Vietnam
Choice

- On decision of founders
  - Directly
  - On request (conditional)
Official Partners

- In each partner country
- Representing the whole banking community
- According to the country:
  - Central Bank
  - Ministry of Economy, Ministry of Finance
  - Financial Sector Supervising Authorities
  - Banks Association
  - Institute for training in banking
- Presently 51 official partners (in 34 countries)
Training

- Seminars, Workshops
- Packages
- Taylor made products

Consultancy

- For instance:
  - Institutional building
  - Training engineering
  - Technical questions
  - ...
Training

Seminars, Workshops

- **Management matters**
  - Compliance, Risk management, ALM, ...
  - Marketing, HR management, ...

- **Context matters**
  - EU Financial Framework, International Financial Markets, ...

- **Technical matters**
  - Credit Assessment and Management, New Financial Products/Derivatives, Microcredit, ...

- **Specificities of the Luxembourg Financial Centre**
  - Private banking, Investment funds, ...
# Training Packages

To be pointed out

<table>
<thead>
<tr>
<th>Training Packages</th>
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<tbody>
<tr>
<td>Multinational workshop for preparation to GARP – Risk Management certification</td>
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<tr>
<td>Multinational Workshop (mostly best-practice and case studies) on “Financial crime”</td>
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<tr>
<td>Multinational Executive Programme on “Human Resources Management”</td>
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<tr>
<td>Multinational Executive Summer Programme on “Project Finance”</td>
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<tr>
<td>Package on “Operational key aspects of the management of a commercial bank”</td>
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<tr>
<td>Package/workshop for preparation of the “Forex Certificate Examination” (ACI Dealing Certificate)</td>
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<tr>
<td>Workshop for preparation of the CFA (Chartered Financial Analyst) program</td>
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<tr>
<td>Renowned Bank Simulation Game on Assets and Liabilities Management</td>
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</table>
Training

Taylor made products

• Case by case basis
Consultancy

- Case by case basis
- Common decision with partner
### 2006 in figures

<table>
<thead>
<tr>
<th>Event Type</th>
<th>Number of events / sessions</th>
<th>Number of days</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Seminars / workshops (abroad)</td>
<td>75</td>
<td>279</td>
</tr>
<tr>
<td>- Consultancy / study visits (abroad)</td>
<td>10</td>
<td>44</td>
</tr>
<tr>
<td>- Seminars (Luxembourg)</td>
<td>11</td>
<td>63</td>
</tr>
<tr>
<td>- “Summer Executive Program” (Luxembourg)</td>
<td>1</td>
<td>10</td>
</tr>
<tr>
<td>- “ACI Dealing Certificate Project” *</td>
<td>3</td>
<td>13</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>100</strong></td>
<td><strong>409</strong></td>
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</tbody>
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- Participants (total) : +/- **2 500**

* 1 Project composed by 3 sessions
Financing

- Luxembourg State (mostly)
- Partners
- International Institutions
- Direct customers
Financing

- Luxembourg State
  - Ministry of Finance
  - Ministry of Foreign Affairs
  - Fund to fight drug trafficking

... State Budget
... State Budget
... Special Funding
Luxembourg State Turnover

- 2000: € 690 000
- 2002: € 1 613 400
- 2004: € 2 135 000
- 2006: € 2 116 000
- 2007: € 2 462 000 (budgeted)
Luxembourg State

- Operational costs
- Training programmes, consultancies
  - Full Financings
  - Partial Financings
Partners

- Partly
  (See partial financing from Luxembourg State)

- Totally
  - 3 levels price policy
  - Upper, intermediate, lower level
    - Main criterias : GDP per capita, banking system,...
  - Conditional
  - Non commercial approach
International Institutions

- Such as:
  - EUROPEAN COMMISSION
  - EUROPEAN BANK for RECONSTRUCTION and DEVELOPMENT
  - ...

- Case by case decision
- Strictly conditional
- Basis
  - Tenders / consortium
  - Others
Direct customers

- Commercial entities
- Upper level price policy
- Strictly conditional
National entities

- Luxembourg Funds in Microfinance Labeling Agency (Luxflag)
- Luxembourg Microfinance Round-Table

International entities

- European Microfinance Platform (e-MP)
- European Bank Training Network (EBTN)
LUXFLAG

Created in 2006 by:

- State of Luxembourg
- European Investment Fund (EIF)
- Luxembourg Bankers’ Association (ABBL)
- Association of the Luxembourg Fund Industry (ALFI)
- Appui au Développement Autonome (ADA)
- Luxembourg Stock Exchange
- Financial Technology Transfer Agency (ATTF)

Objectives:

- Granting quality label to investment funds in microfinance
Luxembourg Microfinance Round-Table

Established in 2005

On the occasion of the UN microcredit year

By:
- Ministry of Finance
- Ministry of Cooperation
- Luxdevelopment
- Association of the Luxembourg Fund Industry (ALFI)
- Financial Technology Transfer Agency (ATTF)
- Appui au Développement Autonome (ADA) - NGO
- SOS Faim - NGO
- Etika (Agency for evaluation of ethical projects)

Objectives:
- Development of microfinance actions from Luxembourg

Yearly microfinance Conference
e-MP

Created in 2006

By european NGOs involved in microfinance

Objectives:
- Platform for professionnels in microfinance
- Basis for launching common initiatives in microfinance at:
  - European level
  - International level
EUROPEAN BANK TRAINING NETWORK (EBTN)

Created in 1992 by E.U. countries based training institutes in banking

Objectives:
- Platform for professionals in bank training
- Basis for launching common initiatives in bank training at:
  - European level
  - International level

Membership:
- Full members (Europe)
- Correspondent members (out of Europe)
Appendix

- List of partners
- List of EBTN members