Central banks cooperate with each other in multiple international fora (BIS, IMF, ESCB, Eurosystem) to contribute to monetary and financial stability by exchanging information, coordinating their actions or contributing to the convergence of standards at the global or European level.

A particular aspect of this cooperation is the provision of international training or technical support to other foreign central banks and supervisory institutions. By strengthening the capacities of agents and the functioning of partner institutions, central banks indirectly contribute to global monetary and financial stability in the presence of multiple financial interdependencies.

The Banque de France is an active participant in this effort of cooperation through its International Banking and Finance Institute, created in 1997. The Bank organises training seminars in France and abroad, sends technical support missions to foreign central banks and hosts study visits by foreign delegations.

Cooperation covers all central bank activities: in addition to the main goals of monetary policy and financial stability, it extends to payment systems, cash management, governance and support functions.

This article presents the Banque de France's external cooperation activity: objectives, client targets, intervention methods, governance and implementation. It describes how the Banque de France is positioning itself in the field of external cooperation in a rapidly changing environment.

EXTERNAL COOPERATION CONTRIBUTES TO MONETARY AND FINANCIAL STABILITY

Through its cooperation activities, the Banque de France pursues several objectives which are listed as follows.

- As a primary objective, contributing indirectly to monetary and financial stability at the global and European level. For example, technical assistance actions carried out for the benefit of

---

1 Jean-Luc Quémard and Louis Bê Duc are respectively Head of Unit and Head of Sector at the International Banking and Finance Institute.
neighbouring and/or EU candidate countries contribute to strengthening the stability of the area. Similarly, the Bank's participation in IMF actions in the area of banking supervision contributes to global financial stability.

- Assisting central banks in developing countries by contributing to capacity development, know-how and skills. The Banque de France thus assumes a form of "international social responsibility" towards these institutions.
- Strengthening its influence and visibility by integrating itself into the international cooperation effort and by disseminating and enhancing its know-how, French and European standards and practices.
- Extending its network of relationships with central banks around the world. 120 foreign authorities were beneficiaries of international cooperation activities during the period 2016-2018.
- Supporting the Bank's commercial relations in certain areas (reserve management, cash).
- In return, developing the international exposure, expertise and experience of Banque de France staff contributing to cooperation activities.

A CHANGING ENVIRONMENT: FROM THE TRANSFER TO THE EXCHANGE OF EXPERTISE

The panorama of international cooperation has been profoundly transformed since the beginning of the decade.

- In addition to the most important traditional suppliers such as the International Monetary Fund (also via its local centres such as the Africa Training Institutes), the Joint Vienna Institute\(^2\), the World Bank, the Bank of France, the Bank of England, the Deutsche Bundesbank, the CEMLA\(^3\) and the SEACEN\(^4\), multiple central banks have developed very significant international cooperation activities over the past ten years (Turkey, Poland and Indonesia for example). Chart 1 shows the number of catalogue training seminars organised by some international cooperation actors among central banks.

\(^2\) The Joint Vienna Institute is administered by the Oesterreichische Nationalbank; the Austrian Ministry of Finance and six international organisations: the IMF; the EBRD, the EIB, the OECD, the World Bank and the WTO.

\(^3\) Centro de Estudios Monetarios Latinoamericanos based in Mexico City and providing training and technical assistance to Latin American countries.

\(^4\) South East Asian Central Banks Research and Training Center.
The distinction between suppliers and beneficiaries of international cooperation is blurring. Several central banks are both beneficiaries and providers of cooperation actions. Similarly, taking into account the institutional contexts of the beneficiary central banks is key. To maximize their impact, international cooperation actions must be integrated into local contexts. The notion of reference expertise adapted to all countries (“one size fits all”) no longer applies.

- Needs are changing. In addition to transferring expertise, central banks cooperate through the exchange of experience and the establishment of benchmarks on their businesses. More and more distance learning tools are being made available to central banks, such as distance learning platforms (E-learning) generally limited to a certain number of learners and massive online open courses (MOOC). For example, the BIS Financial Stability Institute has developed a set of online tutorials and courses on its FSI Connect web platform. Similarly, since 2013, the IMF has been putting several MOOCs online, linked to the EdX platform, for public officials or the general public.

In this changing environment, the Banque de France and its International Banking and Finance Institute are developing their own model. It promotes a multi-modal action with a global vocation. It chooses to operate in all central banking businesses with the idea that all businesses contribute to the ultimate functions of monetary and financial stability. It focuses on international training seminars

---

5 Catalogue seminars are training seminars open to all central banks or a large group of them, either by call for applications or by invitation. They differ in particular from more ad hoc seminars organised on a bilateral basis.
which attract the largest number of participants among the Eurosystem central banks (with 23% of all participants in seminars organised by the ESCB\(^6\)). It increasingly relies on digital tools that allow for an agile and rapid response to requests for technical assistance or training. Finally, the Banque de France promotes networking with many multilateral and national partners in order to enhance coherence and reduce the costs of its actions.

A GLOBAL DIMENSION WITH SOME REGIONAL PRIORITIES

The Banque de France's cooperation activity has a global dimension. However, several specific targets can be identified.

- Developing countries. The Banque de France provides assistance in particular to central banks wishing to improve their governance or the expertise of its agents in developing or certain emerging countries.

- Countries close to France by history, language, geography or the intensity of economic and financial relations. This is particularly true for the following area:
  - Maghreb (Algeria, Tunisia, Morocco), as well as the French-speaking sub-Saharan Africa (first among them, countries of the Zone Franc\(^7\)) and French-speaking countries of the Indian Ocean.
  - the other countries around the Mediterranean, in particular Egypt, Lebanon and Turkey.
  - the French-speaking countries in general.

- The countries that have acceded to the European Union since 2004 and some candidate countries. Thus, the Banque de France established special relations with certain Eastern European countries after the fall of the Berlin Wall, concluded several cooperation agreements, and participated in numerous European programs in favor of these countries.

---

\(^6\) Triennial survey of the European System of Central Banks (October 2016 to September 2017).

\(^7\) See in particular the Fact Sheet on the French zone on the Banque de France’s website.
• Countries that are part of the Banque de France’s institutional clientele or that are likely to become so (for example, in the field of banknote production, reserve management, or banking services, etc.).

• The major emerging countries through multifaceted partnership actions, for example through the implementation of joint seminars with a regional focus. Thus, some joint seminars have been held jointly with the central banks of India, Indonesia and Brazil.

The following Charts 2 to 4 below show the geographical distribution of IBFI external cooperation by type of actions.

Chart 2. Distribution of external cooperation actions by regions (2016-2018)
(In number of days as a percentage)

Note. Breakdown of cooperation actions by number of days. Actions include seminars, study visits, technical assistance missions, video-conferencing but exclude resident advisor. Participants in catalogue seminars are registered in the “all countries” category. Large emerging countries include Brazil, India, Russia, China, Indonesia, Mexico, South Africa. The other categories exclude large emerging economies and industrialized countries.

<table>
<thead>
<tr>
<th>Region</th>
<th>Participants Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sub-Saharan countries</td>
<td>25%</td>
</tr>
<tr>
<td>EU and pre-accessing countries</td>
<td>22%</td>
</tr>
<tr>
<td>Mediterranean countries</td>
<td>19%</td>
</tr>
<tr>
<td>Large emerging countries</td>
<td>11%</td>
</tr>
<tr>
<td>Asia and Oceania</td>
<td>9%</td>
</tr>
<tr>
<td>CIS</td>
<td>5%</td>
</tr>
<tr>
<td>Industrialised/others</td>
<td>5%</td>
</tr>
<tr>
<td>Middle East</td>
<td>3%</td>
</tr>
<tr>
<td>Latin America</td>
<td>2%</td>
</tr>
</tbody>
</table>

**Note.** Distribution of participants to seminars by regions. Large emerging countries include Brazil, India, Russia, China, Indonesia, Mexico, South Africa. The other categories exclude large emerging economies and industrial countries.


Participants to IBFI training seminars (2016-2018)
A MULTIMODAL ACTIVITY WITH INCREASING DIGITISATION

A multimodal activity

The forms of cooperation cover a wide range (see Charts 5 and 6): training, technical advice, sharing of experience or direct participation in the implementation of projects. Within the Banque de France, these actions are organised by the International Banking and Finance Institute (IBFI). The IBFI's training and technical support is various and allows for a flexible and modular response to partners’ needs.

Chart 5. Number of external cooperation actions
On the one hand, the IBFI provides a series of training seminars usually in Paris but also abroad in partnership with an institution. These consist of 2 to 5-day training sessions for groups of 20 to 30 participants gathered through a call for applications or upon invitation. The seminars include both theoretical and practical presentations, role-playing and case studies. They cover all central banking activities: economics, statistics, financial stability and supervision, payment systems, markets and operations, governance and other support functions.

As part of its "catalogue" training seminars, the IBFI actively promotes partnerships with foreign training institutes. In particular, it regularly organizes joint seminars with institutions as for instance the Joint Vienna Institute, the CMI\(^8\) or Bank-Al-Maghrib. In addition, experts from other central banks or international organisations regularly intervene at Banque de France seminars, just as experts from the Banque de France may intervene at training seminars organized by third countries. These exchanges make it possible to enrich approaches and to manage the resource of expertise as effectively as possible for the benefit of cooperation. In addition to the "catalogue" seminars, the Banque de France conducted several seminars abroad, often regional ones, jointly with the CEMLA for Latin America, SEACEN for ASEAN countries, BCEAO and BEAC for the Franc Area countries and CEF\(^9\) for the Balkan countries.

Beyond training, the IBFI provides technical cooperation. Banque de France experts can be sent to the partner central bank for several days to carry out a technical support mission on a given topic. Most of these actions are carried out within the framework of multilateral cooperation programs, in

---

\(^8\) The Center for Mediterranean Integration is an international centre bringing together the countries of the Mediterranean, the World Bank and the European Investment Bank.

\(^9\) Center for Excellence in Finance funded by several Balkan countries, EU countries and international organisations (EU, IMF).
particular those of the IMF (76% of missions) or the European Union (12% of missions). In the case of the European Union, technical support missions can be grouped and structured into a twinning arrangement (see box) that involves a lead EU central bank (with the assistance of some junior partners) and a beneficiary institution on an objective and actions specified in advance, with the dispatch of a resident advisor.

**The EU Twinnings.** Twinning is an EU-funded external cooperation instrument through which EU public entities provide technical support or training to countries undergoing an EU accession process\(^\text{10}\) or EU neighboring countries in North Africa, the Middle East or the Eastern border of the EU\(^\text{11}\). Twinning is organised by a "lead" institution (senior partner) in association with other institutions (junior partner) providing additional resources. It takes the form of on-site technical assistance missions, study visits and participation in training seminars. A resident advisor is usually seconded to the beneficiary country for the duration of the twinning. European twinning thus makes it possible to coordinate international cooperation actions at European level.

In addition to bilateral twinning, other European regional programs can bring together the activities of several European Union central banks for the benefit of a group of target countries.

The Banque de France has contributed, in particular as lead manager, to several twinning arrangements with the Central Bank of Tunisia to improve the framework (2011-2013) and the implementation (2015-2017) of monetary policy. It has also participated as a junior partner in several European programs for the benefit of Balkan countries (Serbia, Albania, Montenegro), Maghreb countries (Tunisia, Morocco) and Egypt. The Banque de France will participate in the regional program for the Western Balkans (2019-2020) involving most EU countries for the benefit of 6 countries in this area\(^\text{12}\).

Finally, the Banque de France provides assistance to foreign central banks by sending resident advisors for one or more years, in most cases in the field of banking supervision as part of an IMF program.

**A strong development of digital tools**

Since 2017, the IBFI has considerably increased the use of digital tools. For example, registrations; documentation management and seminar evaluation are carried out via dedicated digital platforms.

---

\(^\text{10}\) Pre-accession instrument: Albania, Bosnia and Herzegovina, Croatia, Northern Macedonia, Kosovo, Montenegro, Serbia and Turkey.

\(^\text{11}\) European Neighborhood and Partnership Instrument: Algeria, Egypt, Israël, Jordan, Lebanon, Morocco, Tunisia, Armenia, Azerbaijan, Georgia, Moldova, Ukraine.

\(^\text{12}\) Albania, Bosnia and Herzegovina, Kosovo, Northern Macedonia, Montenegro, Serbia.
These platforms can also be used to provide discussion forums between participants or to launch specific questionnaires. In addition, during training seminars, the IBFI provides participants with replays of the presentations made on a dedicated platform. On the other hand, the IBFI is developing its technical assistance activities through videoconferencing. These new remote communication methods make it possible to respond to requests for expertise in a quick and flexible way and at low cost on specific points. They may represent a first contact with partner institutions to clarify needs before considering further action. In the future, the IBFI intends to develop the use of digital tools, for example through remote participation in seminars, or by making tutorials or courses available online. These digital platforms can also eventually lead to real “communities of practice” allowing the sharing of experiences on an ongoing basis in the margins and after the seminars.

A multi-domain action with a focus on financial stability and supervision

The IBFI's offer covers all central bank activities since they all contribute directly or indirectly to the central banks' mission of ensuring monetary and financial stability (see Charts 7 and 8). Financial stability and banking supervision is by far the most important area of action (50% of actions excluding resident advisors) followed by support functions (19%) and “technical” domains, including operations, payment systems and fiduciaries (15%).

<table>
<thead>
<tr>
<th>Chart 7. Distribution of international cooperation activities by field (2016-2018) (number of days, in percentage)</th>
<th>Chart 8. Distribution of international cooperation activities by field excluding resident advisers (2016-2018) (number of days, in percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial stability and supervision 73%</td>
<td>Financial stability and supervision 50%</td>
</tr>
<tr>
<td>Support 7%</td>
<td>Support 19%</td>
</tr>
<tr>
<td>Economics 3%</td>
<td>Operations; payment systems and fiduciary 15%</td>
</tr>
<tr>
<td>Statistics 2%</td>
<td>Statistics 6%</td>
</tr>
<tr>
<td></td>
<td>Economy 10%</td>
</tr>
</tbody>
</table>
FAVORING PARTNERSHIP AND FOCUSING ON BENEFICARY NEEDS

The Banque de France has strengthened the governance of external cooperation on the basis of two pillars: partnership action and constant reassessment of strategy and actions in order to respond most effectively to the demands of its partners.

The Banque de France's cooperation activities favors networks and partnership. Indeed, good mutual information and coordination multiply the cooperation effort, particularly in the European context.

- Within the Eurosystem, the Banque de France is a member of the Task Force on Central Bank External Cooperation of the Eurosystem's International Relations Committee and is a member of its steering committee. This group provides mutual information on members' external cooperation activities, in particular participation in European twinning programs or regional programs. This Task Force also regularly carries out cross-cutting work between EU cooperation officials on issues of common interest such as best practices in external cooperation. It also carries out a tri-annual statistical follow-up on the activity of its members.

- More generally, the ad hoc use of central bank participants, particularly from the EU, such as the participation of Banque de France experts in events organised by these central banks, allows a more efficient use of expert resources for cooperation actions at European level, to take advantage of the pool of expertise existing at European level and to better manage the availability of experts.

- With regard to the beneficiary central banks, and in order to ensure the sustainability of international training and technical support activities, formalize collaboration or better plan training or technical assistance activities, the IBFI has concluded cooperation agreements with partner central banks and training centres. These training agreements may be combined with agreements for the exchange of information and cooperation in the field of banking supervision.

The IBFI constantly evaluates its actions and seeks the views of partner central banks in order to produce an effective offer tailored to the needs of the beneficiary institutions.

- International cooperation actions are continuously evaluated. The purpose of these evaluations is to assess the relevance, impact, effectiveness and sustainability of international cooperation activities in order to draw useful lessons and strengthen them in the future. They include notes such as comments on the action performed. The average rating for all shares
combined in 2018 was 4.5 out of 5. In addition, experts sent on technical assistance missions systematically send a back-to-office report, specifying the progress made, the difficulties encountered and the actions still on the agenda. The Banque de France has chaired in 2019 the working group on the evaluation of international cooperation actions within the Task Force on External Cooperation in order to identify and improve the practices of the European System of Central Banks (ESCB) in this area.\footnote{See the ESCB document: \textit{International Central Bank Cooperation: ESCB Best practice}}

- In addition, the IBFI actively collaborates with its various partners to better assess their needs and define together the best ways to meet them. In addition to requests for cooperation received directly, the IBFI also mobilizes other sources of information at its disposal to better understand the broader context in which these requests are made: information received from its network of correspondents, cooperation officers in partner central banks or former participants in seminars or technical support actions; if necessary through ad hoc surveys.

**CONCLUSION**

More than 20 years after the creation of the International Banking and Finance Institute, the Banque de France has developed significant, diversified and multi-modal international cooperation, with the growing and complementary contribution of digital tools. The IBFI has acquired a recognized position in international training and technical support within the central banking community. It covers all central banking activities as long as they all contribute directly or indirectly to the successful performance of monetary policy and financial stability tasks. It combines the transfer of expertise and the exchange of practices between peers. It relies on numerous partnerships to make its actions more efficient.

International cooperation is only one way to building capacity at beneficiary institutions. These need to get ownership of the knowledge and expertise transmitted and incorporate them into their own development programs. The IBFI strives to shape its actions as closely as possible to the needs of beneficiary institutions and their projects in order to enhance the impact of its actions and their sustainability.