

Press release

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FSB Sub-Saharan Africa group discusses global and regional vulnerabilities, climate-related risks and cross-border payments

The Financial Stability Board (FSB) Regional Consultative Group for Sub-Saharan Africa met in Diani, Ukunda, hosted by the Central Bank of Kenya, to discuss global and regional economic and financial market challenges, as well as progress in strengthening arrangements for crisis preparedness and management. Members also received an update on the FSB's work plan for 2023.

The group discussed the increasingly challenging outlook for financial stability in the region arising from volatile commodity markets, high inflationary pressures and tighter global financial conditions. The group also discussed episodes of illiquidity in various financial markets and other vulnerabilities affecting the region, such as, the stress in global energy prices and rising debt levels. The limited fiscal policy space of many authorities in the region underscores the need to remain vigilant. The group discussed ways to enhance crisis preparedness and management in the region and the importance of cross-border cooperation.

Food insecurity is a growing issue both because of short-term supply constraints and more fundamentally through climate change. Members discussed the issues that arise for financial authorities. They also reviewed progress of the FSB's Roadmap to address financial risks from climate change, including the FSB's recommendations for regulatory and supervisory approaches to climate-related risks published in October 2022.

Members were updated on the FSB's prioritisation of work to implement its Roadmap to enhance cross-border payments by improving cost, speed, access and transparency. The three priority areas are: payment system interoperability and extension; legal, regulatory and supervisory frameworks; and cross-border data exchange and message standards. The group discussed initiatives to enhance cross-border payments in the region, including potential use of central bank digital currencies for cross-border payments while noting the importance of compliance with anti-money laundering and combating the financing of terrorism (AML-CFT) standards.

Members thanked the Central Bank of Kenya for their very efficient organisation of the meeting.

Notes to editors

The FSB RCG for Sub-Saharan Africa meeting is co-chaired by Lesetja Kganyago, Governor, South African Reserve Bank, and Ernest Addison, Governor, Bank of Ghana. Membership

includes financial authorities from Angola, Botswana, Ghana, Kenya, Mauritius, Namibia, Nigeria, South Africa, Tanzania, Uganda and Zambia as well as the Central Bank of West African States (BCEAO) and the Bank of Central African States (BEAC). Permanent observers include the Committee of Central Bank Governors of the Southern African Development Community, and the East African Community. For this meeting, the following central banks from the region were invited as guests: Bank of the Republic of Burundi, Central Bank of Congo, Central Bank of South Sudan and National Bank of Rwanda.

The FSB has six Regional Consultative Groups, established under the FSB Charter, to bring together financial authorities from FSB member and non-member countries to exchange views on vulnerabilities affecting financial systems and on initiatives to promote financial stability.¹ Typically, each Regional Consultative Group meets twice each year.

The FSB coordinates at the international level the work of national financial authorities and international standard-setting bodies and develops and promotes the implementation of effective regulatory, supervisory, and other financial sector policies in the interest of financial stability. It brings together national authorities responsible for financial stability in 24 countries and jurisdictions, international financial institutions, sector-specific international groupings of regulators and supervisors, and committees of central bank experts. The FSB also conducts outreach with approximately 70 other jurisdictions through its six Regional Consultative Groups.

The FSB is chaired by Klaas Knot, President of De Nederlandsche Bank. The FSB Secretariat is located in Basel, Switzerland, and hosted by the Bank for International Settlements.

For further information on the FSB, visit the FSB website, www.fsb.org.

¹ The FSB Regional Consultative Groups cover the following regions: Americas, Asia, Commonwealth of Independent States, Europe, Middle East and North Africa, and sub-Saharan Africa.