

Press release

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FSB Sub-Saharan Africa group discusses climate-related risks, cross-border payments and crypto-assets

The Financial Stability Board (FSB) Regional Consultative Group (RCG) for Sub-Saharan Africa held their first in-person meeting since the onset of the COVID-19 pandemic, hosted by the Bank of Ghana in Accra.

The meeting, which took place over two days, began with an update on the FSB's 2022 work priorities and a discussion on financial market developments following the Russia-Ukraine conflict, including elevated and volatile commodity prices. The group also discussed broader developments such as the continuing economic recovery from COVID-19 and higher inflation, and their potential impact on countries in the region. Members shared views on vulnerabilities that warrant further attention in 2022.

Discussions then focused on three key priority areas for the FSB of relevance to RCG Sub-Saharan Africa members: climate-related financial risks, cross-border payments and crypto-assets.

The FSB roadmap for addressing climate-related financial risks is an integral part of its work programme. Members received an update on progress under the roadmap, including strengthening supervision and regulation, enhancing disclosures and addressing data gaps. Members discussed progress being made within the region and provided feedback on the FSB's ongoing consultation on regulatory and supervisory approaches to climate-related financial risks.

An update on the roadmap coordinated by the FSB to enhance cross-border payments was also provided. The roadmap seeks to address the key challenges of high costs, low speed, limited access and insufficient transparency. The group noted that these challenges were particularly pressing in Africa. They discussed steps that could be taken to enhance payment arrangements and also considered whether central bank digital currencies could address some of these issues.

Finally, members discussed the financial stability, regulatory and supervisory implications of crypto-assets, and the FSB's recent assessment of potential financial stability risks in this regard. The group was updated on the FSB's work examining supervisory and regulatory issues raised both by 'stablecoins' and by 'unbacked' crypto-assets and shared views on the challenges they pose for regulators and policymakers.

Notes to editors

The FSB RCG for Sub-Saharan Africa 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.

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.