



Robert R. Taliercio

BY Vincent Kubi

THE WORLD Bank on Friday, May 31, 2024 approved a \$250 million International Development Association (IDA) credit for a five-year Ghana Financial Stability Project.

The project will support Ghana's Financial Sector Strengthening Strategy (FSSS) by contributing to financial stability through the recapitalization of viable Banks and Specialized Deposit-taking Institutions (SDIs) impacted by Ghana's Domestic Debt Exchange Programme (DDEP).

The financial system is critical to the functioning of the Ghanaian economy, providing critical services to households, firms, and government, and supporting economic growth. To address the severe impact of the DDEP on financial institutions, the government established the Ghana Financial Sector Stability Fund (GFSF) to provide solvency support to banks, pension funds, insurance companies fund managers and collective investment schemes.

"This project will contribute to Ghana's financial stability, by providing solvency support to banks and SDIs impacted by the DDEP through the GFSF," said Robert R. Taliercio,

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World Bank Country Director for Ghana, Liberia, and Sierra Leone.

"Through direct support to banks and SDI, the project will benefit Ghana's financial sector and the economy by supporting the access of depositors and other financial consumers to savings, payments, and other core financial services provided by adequately capitalized banks and SDIs," he added.

The Ghana Financial Stability project is expected to immediately benefit eligible undercapitalized but viable banks and SDIs and become accessible to other banks and SDIs that may need support in the future due to potential new losses and provide a backstop against unexpected losses.

"The World Bank Group's support aims to help address short-term shocks to improve prospects for long-term sustainable development and long-term resilience against future shocks. The project promotes financial stability, a key requirement to protect people and preserve jobs," said Carlos Leonardo Vicente, Senior Financial Specialist and Team Lead.

The project complements the World Bank's Development Programme Financing series and the IMF-Extended Credit Facility, which support reforms to improve the macroeconomic environment and enable financial institutions to operate profitably and generate internal capital.

It also complements other World Bank funded projects aimed at economic recovery and job creation in Ghana, such as the Ghana Development Financing Project which supported the establishment of the Development Bank of Ghana and provides long-term financing to small and medium enterprises.