

NBE and Frontclear to expand interbank knowledge

26 May 2021 – Today, the National Bank of Ethiopia (NBE) and Frontclear launched a market-wide programme to expand the financial sector’s knowledge of money and interbank markets. The training programme today and in the coming 1.5 years, involves more than 30 participants (a dedicated group) drawn from the financial sector both public and private. Building this group or cadre, is key to improving money and interbank market awareness and understanding and is a prerequisite to the establishment of trusted banking relationships. The latter is particularly relevant to eventual interbank transactions, both on-shore/on-shore and off-shore/on-shore.

This activity complements other recommendations already in progress and stemming from the Money Market Diagnostic Framework (MMDF) exercise, completed by the NBE and Frontclear in late 2020. Other recommendations in progress include the review and reform of the legal and regulatory framework, together with local counsel and backstopped by the ICMA and ISDA.

The cadre today followed ‘Money Markets Matter’ and next month, will continue with the next training. All are core interbank courses available via the Frontclear Academy, such as transacting repo and derivatives and understanding ISDA and GMRA legal documentation. However, Academy courses will be followed the selected participants together in an on-line webinar environment. This approach will promote joint engagement and knowledge development and have the added benefit of relationship building. Periodically, guest lecturers will join for in-depth Q&A. The programme is expected to run up to two years and cover five courses.

“The Ethiopian money and interbank markets are in the process of being designed. Working together in this ‘online in online’ class approach is an innovative way to develop common understanding and a shared platform through which to advance the market.”

-- Ingrid Hagen, Vice-President Strategic Projects, Frontclear

About Frontclear

Frontclear is a development finance organization dedicated to stable and inclusive money markets. Its investors are largely European development financial institutions and governments. Frontclear has unlocked access to global and local interbank markets for EMDC banks by providing credit guarantees to cover counterparty credit risk, on the condition that local currency assets can be used for collateral management purposes. Complementarily, Frontclear offers technical assistance and implements regulator roundtables, advisory projects on legal enforceability, industry training and market infrastructure development – all targeting the development of a healthy money markets. To-date, Frontclear has facilitated USD 1 billion in interbank money market transactions in 15 countries. It has trained over 1400 obligors and regulators in near 30 countries and signed near dozen partnerships with central banks and local beneficiaries. For further information, please visit www.frontclear.com.

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