



HIGH LEVEL SEMINAR: BANKING SUPERVISION AND FINANCIAL STABILITY IN EURO-MEDITERRANEAN COUNTRIES

MARSEILLE, 27-28 May 2015

A key lesson of the global financial crisis is the need for central banks and supervisory authorities to better integrate a macro perspective into regulatory and supervisory policies. Financial stability not only depends on effective micro-prudential regulation and supervision but also on the macro-financial context: the risks around the macroeconomic outlook; vulnerabilities in financing patterns, particularly bank intermediation; potential spillovers from developments in the global economy and in financial markets.

Safeguarding financial stability requires an understanding of the interplay between these factors through early warning systems, developing a framework of policy instruments to act on warnings, and coordinating macro-prudential policy with micro-prudential and monetary policies.

High-level officials from central banks of countries around the Mediterranean gathered in Marseille at the Center for Mediterranean Integration to share experiences in developing macro-prudential policies and their articulation with monetary and micro-prudential policies on the occasion of their third annual conference. Participants comprised Albania, Algeria, Croatia, Egypt, France, Greece, Italy, Jordan, Lebanon, Malta, Montenegro, Morocco, Palestine, Portugal, Slovenia, Tunisia, Turkey, the Financial Stability Board and the European Investment Bank. The conference series is a partnership between the Banque de France, the World Bank's Finance and Markets Global Practice, and CMI. Earlier conferences focused on the implications of global financial system reforms and on the workout of non-performing assets.

Participants stated that a major challenge is operationalizing macro-prudential framework, including robust early warnings of financial imbalances and a well thought out governance framework. Participants shared experiences about the design of indicators, the use of tools, and governance arrangements to articulate micro-, macro-prudential, and monetary policies.

Most of participant institutions answered a survey on these issues, the results of which are attached.