

THE G-24 2026 Technical Group Meeting

Panel 4: Financial Stability, Monetary Stability, Financial Inclusion and the Evolving Mandates of Central Banks

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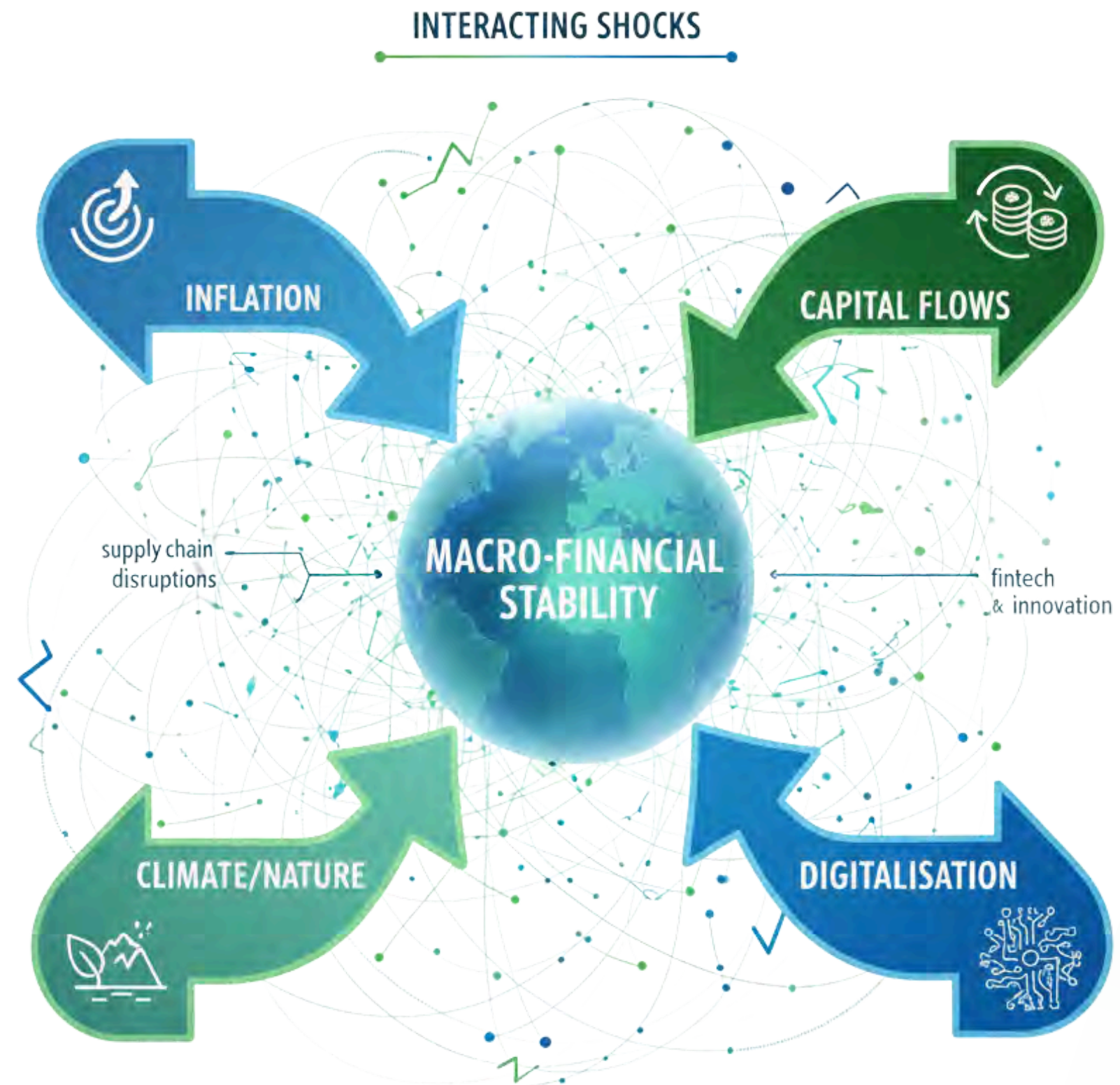
The Development Bank for Resilient Prosperity/"The Nature Bank"



DBRP
DEVELOPMENT BANK
FOR RESILIENT PROSPERITY

Framing the Challenge: Stability in a Shock-Prone World

- Central banks face more frequent, correlated, and non-linear shocks.
- In vulnerable economies, shocks are existential.
- The core issue is not only a financing gap, but **a paradigm gap**.
- System-wide shocks require **system-wide responses**, not siloed fixes.



The Systems-Control Proposition: Stability as a Safe Operating Space



FROM OUTPUT MAXIMISATION TO RESILIENT PROSPERITY

Long-term resilient prosperity, rather than short-term output gains, should be the guiding objective for macroeconomic policy.



STABILITY ANCHORED IN CORE CAPITAL STOCKS

Macroeconomic stability is shaped by the condition of human, natural, produced, and social capital stocks.



SHOCK TRANSMISSION THROUGH MACRO-FINANCIAL CHANNELS

Climate and nature shocks transmit through inflation dynamics, fiscal pressures, and shifts in risk premia.



ADAPTATION AND ECOLOGICAL BALANCE AS FOUNDATIONS OF STABILITY

Durable stability requires continuous adaptation and ecological balance, not growth alone.





Balancing Price Stability, Financial Stability, and Inclusion

- ✓ Credibility comes from sustained stability, not narrow mandate interpretation.
- ✓ Financial fragility and exclusion undermine durable price stability.
- ✓ Inclusion strengthens transmission and reduces crisis sensitivity.
- ✓ Climate and nature risks must be treated as material macro-financial inputs.

Tools and Trade-offs: Coherence Across Policy Levers



Over-reliance on a single tool (e.g., rate tightening) can amplify fragility.



Stability is delivered by a coherent policy package, not one instrument.



Shift from single projects to integrated portfolios to reduce systemic risk.



Central bank stability requires coordinated liquidity, supervision, buffers, and communications.

Financial Innovation and Digitalisation: Inclusion with Stability



DIGITAL INNOVATION

Digital payments, fintech, and digital money lower transaction costs and expand access in vulnerable and highly informal economies.



DIGITAL RAILS

Modernisation introduces cyber, operational, consumer protection, and integrity risks; innovation must be paired with strong supervision & regulatory oversight from the outset.



RESILIENT INCLUSION

Building analytics, data systems, and supervisory technology ensures that greater inclusion enhances financial system resilience and helps reduce the cost of capital.

Mandates and Governance: Recalibration Without Mission Creep

- Climate and nature risks are now material to medium-term macro stability.
- Integrate these risks into forecasting, stress testing, supervision, and collateral frameworks.
- Maintain independence through transparency, clear hierarchies, and explicit trade-offs.

This is not philosophical. It is risk management. As the shocks rise, it becomes increasingly untenable to treat climate and nature risks as external to macro-financial stability.





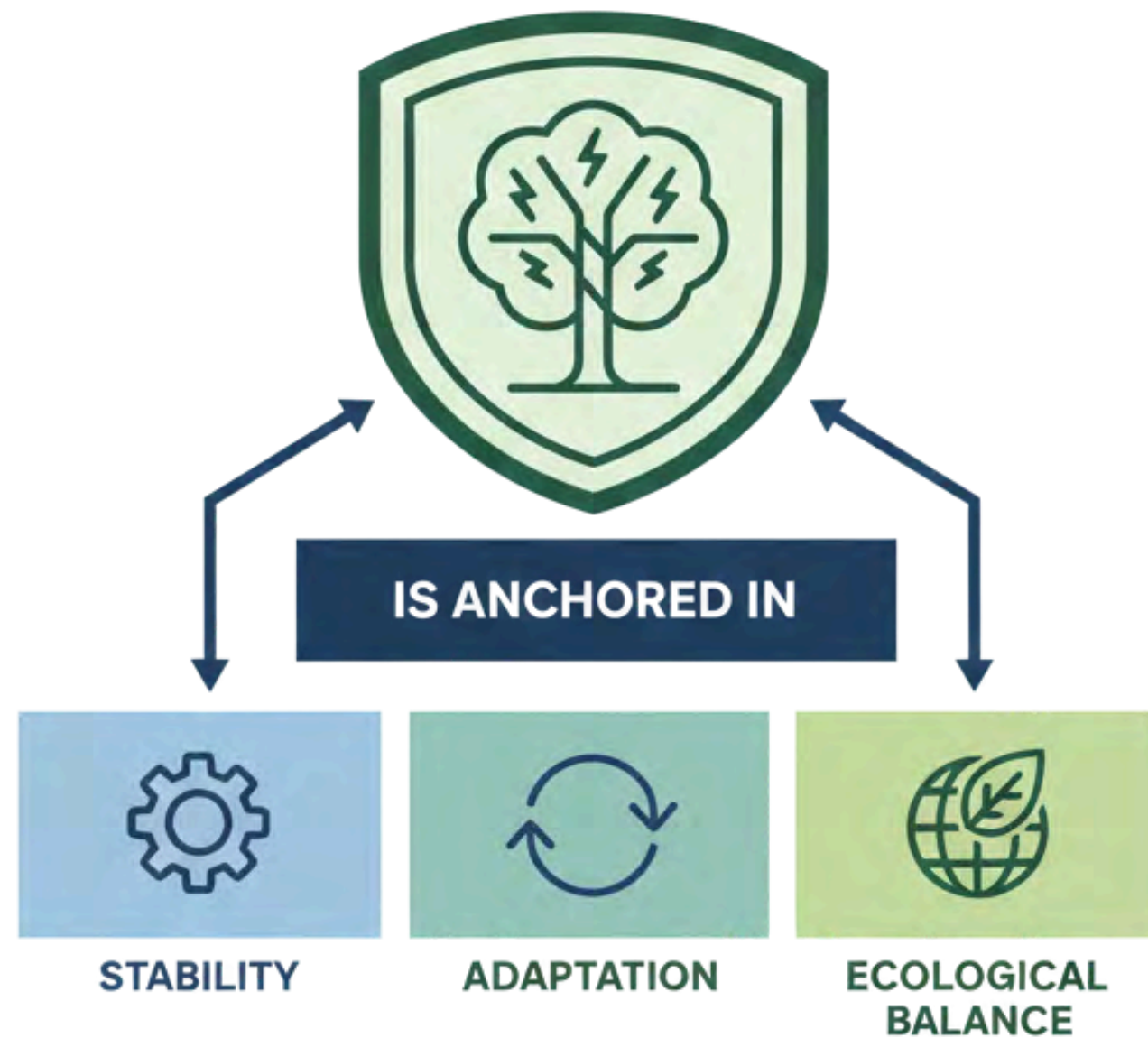
Global Spillovers and Coordination: Making Shocks Financeable

- Vulnerable economies face tightening global conditions they did not create.
- Financial structures should survive the shocks that justify them.
- **Align macro-stability with development finance** and resilience outcomes.

! Key instruments:

- Natural disaster clauses
- State-contingent debt with payment pauses
- Debt-for-nature/resilience swaps
- Resilience-linked performance covenants

RESILIENT PROSPERITY



Key Takeaways

- ✓ Repeated shocks and siloed responses reproduce fragility cycles.
- ✓ Systems-control approach aligns price stability, financial stability, and inclusion.
- ✓ Ecological stability is now a material condition for macro stability.
- ✓ **Prosperity that collapses at the first shock is not prosperity.**



Thank You

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