

Project Title	Ethiopia Central Securities Depository (CSD) System
Implementing Partner	National Bank of Ethiopia, Ministry of Finance of Ethiopia
Funder	FSD Africa
Implementation Period	June 2022 – December 2023
Countries Covered	Ethiopia
Project description	<p>This Project aims to support the National Bank of Ethiopia (NBE) in acquiring and implementing a Central Securities Depository and Settlement (CSD) System. NBE will initially utilise the CSD system for government securities, with the ability for the system to be scaled for corporate debt securities, equities, and funds.</p> <p>The CSD will ensure the safe custody of securities, ensure accurate record-keeping and reporting, reduce transaction costs, minimise risk, improve efficiency in the transfer of securities, facilitate the implementation of corporate actions, and improve the integrity of transactions. The CSD will promote increased liquidity and turnover in securities markets, increase transparency, and enhance investor confidence. An efficient and effective capital market will attract diverse investors, including foreign investors, increasing the volume and diversity of trades in Ethiopia's capital markets.</p>
Target results	<ul style="list-style-type: none"> <li>▪ The proposed CSD system will increase the efficiency of securities settlement in Ethiopia, leading to enhanced safety, lower transaction costs, and financial sector stability.</li> <li>▪ The CSD will support the development of a deeper and more sophisticated domestic capital market with new asset classes, a pipeline of bankable projects and issuers and improved investment opportunities.</li> <li>▪ Improved investment opportunities will lead to increased access to finance for the public and private sectors for infrastructure and other sector-specific priorities.</li> <li>▪ This Project will contribute to creating economic opportunities characterised by increased access to jobs, incomes and basic services, ultimately leading to a sustainable future for Ethiopia.</li> </ul>
Progress	<ul style="list-style-type: none"> <li>▪ A tripartite MOU between FSD Africa and NBE and the Ministry of Finance of Ethiopia is currently in discussion among the parties.</li> <li>▪ Terms of reference for the acquisition and implementation of the CSD system have been developed and are under review by the partners to pave way for the procurement process.</li> </ul>
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