

Caroline Abel: Remarks - 2025 SADC Sustainable Finance Forum

Remarks by Ms Caroline Abel, Governor of Central Bank of Seychelles, at the 2025 Southern African Development Community Banking Association (SADC BA) Sustainable Finance Forum, Cape Town, 10 June 2025.

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Honourable Ashor Sarupen, Deputy Minister of Finance, South Africa
Ms Tanja Werheit, German Consul General
Distinguished Colleagues
Esteemed Guests
Good morning.

It is a pleasure to be with you today, albeit virtually. I extend sincere thanks to the organisers – the IFC, the SADC Banking Association, and other partners – for convening this important forum at a time when the need for sustainable finance has never been more urgent. On this note, allow me to share some reflections from Seychelles: our journey to date, our aspirations, and the critical importance of regional collaboration to advance this agenda.

In 2020, the Central Bank of Seychelles (CBS) made climate change and sustainable finance a strategic priority. We began with staff capacity-building, followed by a national stocktaking exercise to identify gaps and align with existing mandates across the Government of Seychelles. Thereafter, in 2023, Seychelles availed the IMF's Resilience and Sustainability Facility (RSF). Under the RSF, the CBS committed to strengthening the management of climate-related financial risks in the financial sector. We have since developed draft guidelines on climate risk management and disclosure as well as a climate risk supervision strategy, and we are on track for these to be finalised and implemented before the end of this year. A diagnostic study is also underway to assess readiness and capacity within our banking sector.

In parallel, we are actively contributing to the development of a Seychelles Sustainable Finance Taxonomy, in collaboration with the Ministry of Finance and other stakeholders. This taxonomy, grounded in national definitions for sustainable, green, blue, and climate finance, will set clear investment criteria, reduce greenwashing, and help mobilise capital for sustainable development. It draws from global best practices but reflects our unique economic and environmental context, particularly our ocean-based economy.

We are also initiating the development of a Sustainable Finance Roadmap - a national framework that will serve to align financial flows with our development goals. Priorities include enabling green and blue bond markets, addressing climate data gaps, integrating climate scenarios into our stress testing framework, and building capacity across the financial sector. Our goal is to formally launch this Roadmap by 2027–2028.

Why This Matters for Seychelles

Seychelles - being a Small Island Developing State (SIDS) - is highly dependent on nature-based sectors such as fisheries, tourism, and coastal development. Over 65% of our GDP is tied to the health of our ecosystems. Yet, we face growing threats from climate change: sea level rise, coral bleaching, extreme weather, and global shocks. In this context, sustainable finance is not just about development; it is a resilience imperative. We must align our financial system to direct capital toward climate-smart infrastructure, nature-based solutions, and inclusive economic growth.

Despite the momentum, several barriers remain, including:

- **Data and disclosure:** We need stronger systems for climate data, risk disclosure, and impact measurement.
- **Capacity:** Institutions often lack the expertise to design and evaluate sustainability-linked products.
- **Buy-in:** Enhancing buy-in from different financial sector players.
- **Blended finance:** More de-risking instruments are needed to attract private investment.
- **Taxonomy fragmentation:** The lack of common definitions across the region hinders cross-border capital flows.
- **Inclusion:** MSMEs remain largely excluded from sustainable finance opportunities.
- **Education:** Highlighting to different players (individuals, businesses, financial sector) that becoming more sustainable can improve livelihoods and be a good business decision.

Therefore, no country can do this alone. Regional cooperation is essential. I believe we must prioritise on key areas such as:

1. **Taxonomy Harmonisation** – Let us work towards a common SADC sustainable finance taxonomy, aligned with global standards but grounded in our regional context.
2. **Shared Risk Mitigation Tools** – Joint initiatives, like guarantee schemes or climate funds, can unlock capital for vulnerable markets.
3. **Capacity Building and Peer Learning** – We should leverage regional expertise to strengthen regulatory and industry capabilities.

Ladies and gentlemen,

Seychelles was among the first nations to issue a sovereign blue bond. We are proud of this leadership, but we know we cannot go far alone. As highlighted several times during yesterday's discussions, there is power in building partnerships and collaborating with peers. Together, as SADC countries, we can shape a financial ecosystem that supports our shared goals: resilience, equity and prosperity.

Let us leave this forum not just with ideas, but with clear commitments to act, align, and lead.

Thank you for your attention.

