

## **Denny H Kalyalya: Sustainable finance - savings are globally diverse, we are united in responsibility**

Speech by Dr Denny H Kalyalya, Governor of the Bank of Zambia, at the World Savings Day and Financial Literacy Awards, 4 November 2022.

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### **SALUTATIONS**

- Mr. Phillip Chitalu, Secretary and Chief Executive Officer, Securities and Exchange Commission
- Mrs. Namakau Ntini, Acting Registrar, Pensions and Insurance Authority
- Mr. Markus Wittkamp
- All Senior Government officials
- Mrs Mizinga Melu – Chairperson Financial Literacy Working Group and BAZ
- All Chief Executive Officers of Financial Services Providers
- All Cooperating partners
- Nominated Participants for the Financial Literacy Awards
- Invited Guests
- Ladies and Gentlemen

Good afternoon,

It is an honor for me as Champion of financial education, to engage with you during the public awareness campaign for the 2022 World Savings Day and the Financial Literacy Awards ceremony.

This year's theme focuses on preparing for the future, continuing with the 2021 theme "***Sustainable Finance: Savings are globally diverse, we are united in responsibility.***" Sustainable finance involves taking due account of environmental, social and governance considerations when making investment decisions. This is pertinent considering the threat environmental risks are increasingly presenting to the economy.

It is therefore expected that efforts to promote sustainable finance will contribute to the attainment of a climate resilient economy. The recently launched 8th National Development Plan also supports a low carbon and climate- resilient development pathway towards attainment of Vision 2030 and the Sustainable Development Goals.

### **Ladies and Gentlemen**

As has been done for many years now, Zambia joins the international community in commemorating the World Savings Day which is celebrated every year on 31 October to emphasize the significance of savings for individuals. It is important to note that there are various forms of savings which include among others Government securities, listed securities and equities, pension and insurance funds, savings accounts and other investment products. It is important that Zambian citizens are aware of the different types of products and services that are available to help them save, in a sustainable

manner. These campaigns are therefore aimed at creating awareness to enhance skills, attitudes and behaviours on personal financial management amongst children, youth and adults. All citizens should be aware of the effect their decisions have on the environment. This is critical if they are to have the confidence and motivation to make sound financial decisions, use appropriate financial services to improve their financial well-being and contribute to sustainable national development as adults in the future.

### **Distinguished Guests**

Sustainable Finance can only be effectively entrenched when individual financial decisions are aligned to sustainable practices. Individual behaviours are shaped early in life, therefore the focus on financial education being incorporated in our education system is quite critical. As part of the implementation of the National Strategy on Financial Education, we are assured that through the primary and secondary school curricula, children and youths are learning concepts of personal, household and business financial management in subjects such as social studies, expressive arts, physical education, business studies and civic education. Recently, a significant milestone was achieved when supplementary financial education materials for learners and teachers in the lower and upper secondary schools were published with the support of Financial Sector Deepening Zambia. We also commend the Curriculum Development Centre for their contribution in the publication of these materials. Going forward, we will need to embed the principles of sustainable finance in supplementary materials to ensure that our next generation of adults are able to consider social and environmental risks in their investment choices.

### **Ladies and Gentlemen**

As the Government is developing the 2023-2027 National Financial Inclusion Strategy, it is the right time to integrate elements of sustainability, with consideration of environmental risks and climate change mitigation measures into the Strategy. Sustainability improves the quality of our lives, protects our ecosystem and preserves natural resources for future generations.. In this regard, the Bank has a vested interest in encouraging financial sector players to be innovative, and responsive to climate change effects by designing financial services that support a sustainable economic growth journey, while balancing financial stability, inclusion, integrity and consumer protection in the financial ecosystem.

### **Ladies and Gentlemen**

It is a continuing concern of all key stakeholders that provision of financial services in rural areas continues to be significantly lower than in urban areas. This has constrained the rural populace from access to savings products. This largely on account of poor infrastructure coupled with low literacy levels. As of June 2020, 39 out of the 116 districts in the country, did not have either bank branches or agents.

It is from this backdrop that the Bank of Zambia, the Ministry of Finance and National Planning and the Ministry of Health, commenced an initiative to help accelerate rural financial inclusion in Districts by promoting the use of health facilities as general access

points for financial services. The General Access Point Inspection Report was presented during the dissemination workshop on 13 September 2022 and is available for detailed information.

### **Ladies and Gentlemen**

The implementation of the National Strategy on Financial Education requires the united responsibility of the financial sector. This has been demonstrated by the Pensions and Insurance Authority, the Insurers Association of Zambia as well as Securities and Exchange Commission and the Capital Markets Association of Zambia who successfully launched the Insurance Week under the theme "**Insurance-Solutions for a better tomorrow**" and World Investor Week under the theme "**Learn more about Investor resilience and sustainable finance**" earlier this month. I am confident that the key messages disseminated during these events will contribute to raising the levels of financial literacy in the country. Be assured that I am committed to supporting the implementation of the National Strategy on Financial Education through such campaigns.

### **Ladies and Gentlemen**

The World Savings Day celebrations would not be successful without recognising individual and organizational contributions towards improving financial literacy in Zambia. In this regard, awards will be presented under nine categories namely:

1. Exceptional individual contribution to financial education,
2. Outstanding theme interpretation;
3. Exceptional leadership in financial literacy;
4. Champions award;
5. Most innovative financial education programme;
6. Outstanding financial literacy footprint;
7. Exceptional financial literacy media outreach;
8. Outstanding initiative by an educator; and
9. Best savings product of the year.

I am delighted to grace this year's World Savings Day award presentation and wish the nominated participants all the best. In conclusion, I would like to thank the organisers and stakeholders under our partnership arrangement, in particular, the Bankers Association of Zambia, Securities and Exchange Commission, Pensions and Insurance Authority, Rural Finance Expansion Programme and DSIK for their continued support to the World Savings Day celebrations every year.

**THANK YOU**

