



INTRODUCTORY REMARKS

BY

DR. JOHN. P. MANGUDYA

**GOVERNOR OF THE RESERVE BANK OF ZIMBABWE AND
CHAIRMAN OF THE COMESA COMMITTEE OF GOVERNORS OF
CENTRAL BANKS**

**AT THE SYMPOSIUM FOR THE 27TH MEETING OF THE COMESA
COMMITTEE OF GOVERNORS OF CENTRAL BANKS**

AT THE ELEPHANT HILLS HOTEL, VICTORIA FALLS

9TH NOVEMBER 2023

SALUTATIONS

**Honorable Assistant Secretary General of COMESA, Dr Dev Haman
Fellow Governors of Central Banks from COMESA Member States,
Former RBZ Governors and Deputy Governors:**

- **Dr. Leonard L. Tumba**
- **Dr. Gideon Gono**
- **Dr. Kupikile Mlambo**

Distinguished Delegates

Invited Guests

Ladies and Gentlemen

Good morning to you all.

1. Distinguished Fellow Central Bank Governors, Former RBZ Governors and Deputy Governors, Honourable Assistant Secretary General of COMESA, guests, ladies and gentlemen, on behalf of the Reserve Bank of Zimbabwe and indeed on my behalf, allow me to extend to you our hearty welcome to Zimbabwe, and in particular to Victoria Falls the Tourist hub of Zimbabwe.
2. Your visit comes at a time when the global economy, including Zimbabwe, is seized with implementing policies and measures to take advantage of opportunities emanating from Financial Technology Innovations (Fintech). In addition, significant efforts are also being made toward minimising the effects of recurrent shocks, while enhancing economic resilience and sustainability.
3. In this regard, allow me the honour to welcome you all to this Symposium which will cover the critical aspects of Fintech developments and climate change. The two topics of this symposium are quite pertinent which are:
 - i. Future of Money: Central Bank Digital Currencies (CBDC) and other Virtual Assets; and*
 - ii. Central Banking in the Era of Climate Change.*
4. The symposium themes resonate well with the current reality faced by central bankers and the sharing of experiences and lessons on these cannot be

overemphasised. It is pleasing to note that the two major themes of the Symposium are punctuated by several sub-themes touching on how Central Bank Digital Currencies (CBDCs) will affect the choice and definition of the nominal anchor for policy; monetary policy transmission mechanisms; the need for reforms in financial markets regulation; implications of CBDCs for the COMESA Monetary Integration and Cooperation programmes; payment system arrangements; and climate change adaptation measures for the monetary and financial sectors of the economy.

5. Fellow Governors, Distinguished Guests, Ladies and Gentlemen; the world we live in today is undergoing a profound transformation, driven by technological innovation and environmental challenges. These two forces of change are reshaping the way we produce, consume, save, invest, and trade. They also have significant implications for the current and future roles and functions of money in particular, and central banking in general.
6. The world is witnessing an unprecedented surge in digital currencies and virtual assets, existing in various forms and at different stages of conception, analysis and adoption. These currencies, no matter how we respond or react, will no doubt have profound and transformative effects on how the world transacts, and how we perceive the concept of money itself.
7. Fintech developments have resulted in improved efficiency and convenience of transactions; rapid gains in financial inclusion of the unbanked; and improvements in quantum and access to capital. In general, digitalization is acting as a catalyst and enabler of economic growth. Across the globe, central banks have shown strong interest in central bank digital currencies. The 2022 Bank of International Settlements (BIS) survey showed that 93 percent of central banks were exploring CBDCs, with 58 percent reporting likely to issue retail CBDCs in the short or medium term. Indeed, more than 100 countries are exploring retail CBDC issuance and some central banks have already launched pilots or even issued a CBDC.

8. In the area of climate change, central banks have a role to play in supporting the transition to a low-carbon economy, by aligning monetary and financial policy instruments with the Paris Agreement goals and by fostering and promoting green and sustainable finance. Indeed, sustainability principles are reshaping the financial sector landscape by becoming a key factor in creating strong, resilient and inclusive financial institutions that contribute meaningfully to sustainable economic development and the attainment of Sustainable Development Goals.
9. Consistent with global trends, the Reserve Bank of Zimbabwe has made significant strides on both CBDC and climate change issues which will be shared during this symposium. In pursuit of the CBDC agenda, the Bank has accelerated efforts towards the digitisation of money and finance through the issuance of gold-backed digital tokens, known as Zimbabwe Gold (ZiG). ZiG primarily serves as an alternative investment instrument, motivated by the popularity and success of the most-ou-Tanya Gold coin. To date, both have proved to be effective monetary policy instruments in stabilising the Zimbabwe dollar through mopping up excess liquidity from the market and as a store of value.
10. The tokenization of real-world assets represents a logical step towards digital central bank money. Through research, study tours and interagency collaboration, the Bank has continuously reviewed and refined the CBDC project since its inception in 2021. Given that central bank money is public money, market perceptions could not be overlooked. As such, the Bank carried out a consumer survey, which demonstrated the public's willingness to use a CBDC and the results about the public willingness to use the CBDC were favourable.
11. Recently, the Bank launched the transactional capabilities of ZiG, thereby enabling its use as a medium of exchange, denominated in milligrams of gold. It is envisaged that ZiG, will form the basis for or a pathway to the country's development of CBDC

since in its current form and design ZiG exhibits most of the characteristics of a CBDC.

12. In the area of climate change, the Bank has already incorporated climate-change-related risks and outcomes into the supervisory and regulatory frameworks, macro prudential approaches and stress testing models. In this context, the Bank is working closely with the banking sector in the implementation of sustainability standards under the Sustainability Standards & Certification Initiative (SSCI) which is driven by the European Organization for Sustainable Development (EOSD). It is envisaged that sustainability-certified institutions will play a catalytic role in the growth and sustainable development of the economy.
13. The Bank is also at an advanced stage of joining the Network for Greening the Financial System (NGFS), a platform for Central Banks and Supervisors to share their experiences and contribute to the development of environment and climate risk management in the financial sector and mobilise funds for the transition towards a sustainable economy.
14. Distinguished Fellow Governors, Ladies and Gentlemen, given the complexity and interrelated nature of the discussion issues under this Symposium, you will agree with me that there is no one-size-fits-all solution to the digitalization and climate change conundrum. It is my fervent hope that the Symposium will bring us comprehensive and coordinated approaches to dealing with the two broad policy areas of CBDCs and climate change.
15. This gathering is privileged to have Professor Robert Wardrobe from the University of Cambridge's Judge Business School in the United Kingdom, who has gladly accepted our invitation for him to share some regional and international perspectives on Central Bank Digital Currencies (CBDCs). Thank you Prof. His presentation will

help answer some pertinent questions on the progress and prospects for CBDCs in the COMESA region.

16. In addition, eminent presenters will also share with us their perspectives and experiences of their own Central Banks through the various presentations and discussion panels that have been organized for this Symposium.

17. With these few words, Ladies and Gentlemen, let's all look forward to very fruitful deliberations today. I am certain that the Symposium will contribute to advancing our shared understanding of the future of money and central banking in Africa in the context of digitalisation and climate change.

Thank You.

Tatenda

Ngiyabonga

Merci Beaucoup

Muito obrigado

And

May Gold bless you all at this Symposium