



MESSAGE FROM THE GOVERNOR TO MANAGEMENT AND STAFF

BUILDING MARKET CONFIDENCE, TRUST AND POLICY CREDIBILITY IN THE RESERVE BANK

1. Allow me to convey my sincere gratitude for the kind reception and assistance you have extended to me from my first day as the Governor of the Reserve Bank of Zimbabwe.
2. Let me also take this moment to express my deepest appreciation to Dr. J. P. Mangudya, the former Governor, for steering this ship with enthusiasm and cooperating in the transition following my recent investiture as the new Governor of the Central Bank.

Vision and Strategy....

3. I understand very well, as the new Governor, that many of our employees are both expectant and apprehensive over the direction the institution will take over the next five years; this is normal behaviour of any team when there is a change in the captaincy.
4. Allow me to restate that the provisions of the Reserve Bank Act, whose principal objective is to preserve price stability at the macro-economy level, underpin a shared element that all Reserve Bank Governors, whether they come or depart, agree with.
5. My key focus will be to ensure the development and execution of forward-looking strategies that effectively address and sustain the monetary, financial, currency, and exchange rate stability that is needed in the economy.
6. My vision and principal aim will be to realign RBZ to its comprehensive mission of maintaining price stability, and

primarily remain the Government's Banker, Advisor, and Fiscal Agent.

7. In pursuit of operational excellence and effectiveness in the execution of our statutory role, we will re-calibrate and re-orient the principal pillars of the Bank for the achievement of the core strategic priorities and objectives of a new Reserve Bank era consistent with regional and global best practices, cast as follows:
 - a. A solid and stable national currency.
 - b. A stable and sustainable exchange rate.
 - c. Robust policy credibility, rebuilding market confidence and trust.
 - d. A stable and sustainable macro economy as per Vision 2030 and NDS1.
8. This policy stance is informed by two strategic policy pillars of restoring price and exchange rate stability and re-monetising the local currency for it to serve its role as a medium of exchange, a store of value, and provide the public with transactional convenience.
9. As espoused in the recent Monetary Policy Statement of 5 April 2024, the following key strategic issues will become our core deliverables:
 - a. Currency and exchange rate stability
 - b. Financial sector stability
 - c. Optimal money supply management
 - d. Foreign exchange mobilisation and accumulation
 - e. Increased demand for the structured currency.
10. These measures will be underpinned by an enhanced focus on managing money supply, inflation, exchange rates, interest rates, and reserves accumulation.

Monitoring and Evaluating Policy Effectiveness...

11. We will strive to ensure that the information and data from our Central Bank are of high quality, and credibility; and are compiled

- and transmitted using best practices so as not to compromise the integrity of our reporting to the market. This is a critical element for ensuring the monetary policy monitoring and evaluation, internally and externally, is effective and of acceptable standards.
12. To facilitate this, we have established a Monetary Policy Implementation, Monitoring and Evaluation Steering Committee (MPIMESCO) that will use best practices to effectively monitor and evaluate the impact of our policies.
 13. The Reserve Bank will thrive to be an evidence-based institution – trusted for data integrity and credibility. MPIMESCO, which will establish itself as a reliable hub for data validation in support of policy formulation, impact monitoring, and review, will be the Reserve Bank's transparency mechanism for informing the public on the impact of policies.
 14. The conditions precedent of attaining policy effectiveness will include identifying and plugging leakages and restructuring the Reserve Bank's Balance Sheet from short-term pressures likely to undermine the efficacy of our policies going forward.

Bank Restructuring and Reform...

15. We are also aware that the market has lost confidence and trust in the credibility and impact of the Central Bank's policies over the years, and this calls for a focused re-orientation and change in the way we do things in pursuit of our statutory mandate.
16. To rebuild our credibility and relevance, we must acknowledge that this is not "**business as usual**" and undertake personal transformation as well as develop a new "**RBZ brand**" to win back public confidence in the Central Bank.
17. It is expected of all of us to adjust to accept this "Paradigm Shift" of a new work culture that will ingrain in us a responsibility to provide operational effectiveness and excellence.

18. I will make sure this is accomplished by going "**Back-to-Basics**" and support all RBZ staff who embark on this culture of adaptability and creativity in the way we execute our statutory tasks.
19. To achieve this, it is imperative to acknowledge that "**Our Strategy will be in our Structure**".
20. Our Change Agenda will push for the comprehensive re-organisation and re-orientation of the Bank's tasks, people, structures, systems, culture, decision-making, and policy-making processes in order to successfully carry out our core commitments and obligations.
21. The appropriate "**re-organisation of the Reserve Bank**" will, therefore, be carried out in two phases:
 - a. **Phase 1** has already started focusing on corporate diagnostics, and
 - b. **Phase 2** will follow soon after we complete the comprehensive and in-depth corporate diagnostics of the RBZ.
22. In **Phase 1**, the New RBZ core strategic pillars framework that informs the design and rebranding of the Bank, guided by the fundamental remit of maintaining price stability, and restoring market confidence and trust will be communicated to Management and Staff in due course.
23. As Governor, I want to reassure all employees and re-affirm that Phase 2 is a normal process of learning the Bank's operational framework and should not be deemed to result in job losses or retrenchments.
24. I will be requesting that each Division prepare a comprehensive information memorandum to help in the diagnostic process for Phase 2. This will allow me as your Governor to gain a solid understanding of the institution's people, systems, procedures, and culture.

25. As a result, the Reserve Bank programs will be better packaged, resourced and structured to fulfill its statutory purpose in the next five years (2024–2029).
26. The primary objectives of the "Back-to-Basics" Agenda will be to regain lost market trust and prevent undue harm to the Central Bank's institutional credibility in policymaking.

In Conclusion...

27. The Reserve Bank must present itself with dignified confidence in order to fulfil its obligations to the Zimbabwean people's aspirations for improved social and economic well-being. We will start with our internal culture.
28. Over the next 5 years, our strategic intent of restoring credibility, confidence, and trust will be achieved by **“Walking the talk”** – doing what we say we will do; doing the right things in the right manner first time around; and ensuring that what we say will happen, so happens.
29. We all need to re-energise and rebuild a new spirit of teamwork and cooperation and reconnect to serve the interests of the Reserve Bank and our country. Every one of us should be working for the attainment of the Bank’s mission and vision; cognisant that we are all here for the job and not about the individual.
30. The Reserve Bank aspires to be the best employer in the financial sector to recognise your value and contribution for the Bank to attain its statutory objectives.
31. The success of our journey is anchored by each one of us, we are here as a Team. We should remind each other that the ultimate test of our success will be measured through the quarterly performance indicators and how they stack up against our remit.
32. The personal and collective responsibility of each one of us severally and jointly for the accomplishment of our mission and goals and concomitant accountability for the same is paramount.

33. Our statutory tasks can only be delivered through our people. The basic attributes, virtues and values of this Central Bank require our people to have intellectual honesty, ethics, and credibility.
34. Let us work together to rebuild the dignity and image of our Central bank as we all subscribe to the 'Back to Basics' motto.
35. In conclusion, let me underline the critical responsibility that we as a Central Bank carry in the restoration of market confidence, credibility of our policies, and attainment of national macroeconomic stability. In that regard, performance excellence from all of us will be critical in achieving this objective as we will closely monitor and evaluate ourselves.

I thank you.



DR J. MUSHAYAVANHU
GOVERNOR

15 April 2024