

PETITION

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Our Ref: **PETITION/RBZ/2009**

21 July 2009

Right Honourable Morgan Tsvangirai
Office of the Prime Minister,
Munhumutapa Building,
Samora Machel Avenue,
Causeway, Harare,

Your Excellency,

RE:- INVESTIGATE THE RESERVE BANK OF ZIMBABWE AND ITS PRINCIPAL OFFICIALS

We, the undersigned concerned institutions do hereby call upon your good offices, in the interest of accountability and transparency, to facilitate the setting up of an **Independent Commission of Enquiry** into the conduct of the **Reserve Bank of Zimbabwe (RBZ)** and its **Principal Officials**. The proposed Commission is required to fully and conclusively investigate allegations of incompetency, unprofessionalism, corruption and illicit dealings of the RBZ and its principal officials.

This request has been necessitated by a plethora of allegations that have been leveled against the RBZ by a number of stakeholders, which in our view should be investigated.

Further to a host of allegations that were leveled against the bank and its staff, we all hold the view that there was failure to comply with Section 6 of the Reserve Bank of Zimbabwe Act Chapter 22:15) which stipulates the statutory functions as:

- a) to regulate Zimbabwe's monetary system;
- b) to achieve and maintain the stability of the Zimbabwean dollar;
- c) to foster the liquidity, solvency, stability and proper functioning of Zimbabwe's financial system;
- d) to advance the general economic policies of the Government;
- e) to supervise banking institutions and to promote the smooth operation of the payment system;
- f) to formulate and execute the monetary policy of Zimbabwe;
- g) to act as banker and financial advisor to, and fiscal agent of, the State;
- h) to provide banking services for the benefit of foreign governments, foreign central banks or other monetary authorities and international organizations of which Zimbabwe is a party;
- i) to participate in international organizations whose objective is to pursue financial and economic stability through international monetary cooperation;
- j) to undertake responsibilities and perform transactions concerning the State's participation in or membership of international organizations; and
- k) to exercise any functions conferred or imposed upon it by or in terms of any other enactment.

Some specific allegations leveled against the RBZ and its officials include:-

1. Looting of institutional and individual bank accounts:-

The RBZ and its principal officials have been accused of looting individual and institutions bank accounts. Shining examples include: the looting of money belonging to the Global Fund to Fight AIDS, Tuberculosis and Malaria, Africa University Public Sector Management Programme, Hivos (a Dutch development organisation) and others. In most of these cases the money was withdrawn without the consent of owners. There are many other victims who will be prepared to testify if an opportunity for them to do so is created. You will agree with us that this behaviour, if it is true, is criminal and constitutes a flagrant violation of national laws such as the Prevention of Corruption Act. We are also concerned that if the allegations against the RBZ are true, there are damaging and have grave implications to accountability, transparency and integrity principles espoused in human rights and anti-corruption treaties such as the SADC Protocol against Corruption, AU Convention on the Preventing and Combating Corruption and the UN Convention against Corruption to name a few.

2. Illegal dealings by RBZ and officials on the black market:-

Whilst the laws of Zimbabwe criminalise trading at the black market, there are allegations that the RBZ was trading at the same market with impunity. The law enforcement agents have not investigated the RBZ dealings at the black market.

3. Lacking of due diligence and professionalism on the formulation, conduct and implementation of monetary policy:-

There is every reason to suspect that RBZ and its principal officials conducted themselves unprofessionally and that this neglect, failure or unprofessional conduct precipitated economic collapse characterized by high inflation, lack of confidence with the Zimbabwean currency and untold suffering of the peoples' of Zimbabwe. One shining example is that Zimbabwe does not have its own currency now.

4. Involvement in the illicit buying of diamonds from Marange

There are also reports that the RBZ was or is involved in the illicit buying of diamonds from Marange, a serious contravention of the Kimberley process, which is a joint governments, industry and civil society initiative to stamp out the flow of conflict diamonds used by some movements to finance wars against legitimate governments or movements. We hope you will agree with us that trade in these illicit stones has fuelled devastating conflicts and serious violations in Zimbabwe and other countries such as Angola, Cote d'Ivoire, the Democratic Republic of the Congo and Sierra Leone

5. Supporting human rights abusers

Supporters of ZANU PF who over the years were involved in violence, murders and destruction of property were allegedly bankrolled by RBZ. This includes security agents, soldiers and the youth militia who brought about misery to the peoples' of Zimbabwe. The role of RBZ should be investigated

In view of the above allegations that have been labeled against the RBZ and its principal officials, we are calling upon your good offices to:

1. Set up an independent Commission of Enquiry into the conduct of RBZ and its principal officers;
2. Facilitate an effective and efficient investigation;
3. Publicise the findings of the investigation and
4. Implement the recommendations made.

Over and above the aforesaid, we also appeal upon your office to ensure the following:

5. That you empower the existing Anti-Corruption Commission of Zimbabwe to carry out its duties and responsibilities independently and effectively, and

