



Pricing

Pricing will be guided by the RBZ guidelines on pricing from time to time . However, the Bank ensures that its pricing is competitive, reflective of market conditions.

The general conditions are as follows:

- Interest rate - 8% to 10 % p.a. and
- Arrangement fee - 1.5% to 2% (flat) and
- Guarantees, the commission is between 1.5% and 2% once off and 0.25% quarterly.

How to apply

There is need for a business proposal which is in line with the Bank's funding requirements check list available at www.idbz.co.zw or can be obtained from the Bank. The business proposal should be accompanied by an application letter which states the borrower's needs.

Customer Due diligence

The Bank consider the following when extending to its customers:

- Adherence to good corporate governance practice;
- Valid borrowing powers obtained from the responsible authorities/ board resolution;
- Audited financial statements;
- Compliance with statutory requirements in the sector;
- Other Know Your Customer (KYC) considerations; and
- Compliance with Anti Money Laundering and Terrorist Financing(AMLTf) principles.



Address

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Attention to

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Infrastructure Value Chain Financing (IVCF)



Infrastructure value chain financing is the provision of financial services and products to the energy, water and sanitation, transport, ICT and housing sector players to address growth constraints.

Overall Objective

The overall objective of this product is to promote infrastructure development in Zimbabwe by enhancing the capacity of key players in the infrastructure value chain to improve their effectiveness and efficiency in their operations.

Specific Objectives

- to provide working capital and capital expenditure/ asset finance for players in the infrastructure value chain.
- to support players in the infrastructure value chain by providing bank guarantees (bid bonds, performance bonds, advance payment guarantees, maintenance/ retention bonds).
- to provide advisory services to players in the infrastructure value chain (business plans and funding proposals).

Eligible entities and organizations

- Public Enterprises (local authorities with borrowing powers and other state owned enterprises)
- Private Enterprises e.g. members of ZBCA and or CIFOZ
- Other Registered Companies
- Registered SMEs

Eligible / Qualifying projects

Support will be rendered to players in the energy, water and sanitation, housing, transport and ICT sectors.

The eligible activities include:

- construction and maintenance of roads, rail and airports, equipment and materials;
- water and sewer reticulation; equipment and materials;
- improvement in existing power generation, transmission and distribution systems;
- renewable energy equipment (wind, solar, hydro, geothermal, biomass and biogas power projects)

- housing (roofing materials, cement manufacturing, quarry, bricks and related products)
- ICT back bone infrastructure, base stations, mobile money transfer platforms, equipment and related materials

Note

The Bank shall NOT fund projects of a re-financing nature. Priority shall be given to those players that are directly involved in infrastructure development.

The instruments include:

- structured trade finance packages
- bank guarantees
- pre-and post shipment finance to exporters and importers
- asset finance
- bankers acceptances
- bridging loans
- working capital short term loans (up to 12 months),
- capital expenditure medium term loans (up to 24 months),
- order financing,

Collaboration Opportunities

There is scope for; collaboration with other banks through syndication, and JVs with; municipalities, road authorities, government departments and private sector.

Eligibility Criteria

The Bank will support those projects that are consistent with the Bank's mandate of infrastructure delivery and lie within the focus sectors. In addition the projects should be financially sound and operating sustainably. The Bank will only lend to projects that are able to service their debts within an agreed time frame. Furthermore, the projects should be socially, economically, technically feasible and environmentally sustainable. In summary, the projects to be supported should fit the following criteria:

- The beneficiary should have been in business for at least three years;
- minimum facility thresholds of US\$ 100 000;
- preferably two year audited financial statements or;
- cash flow projections covering the tenure of the facility
- the firm should be a legal entity registered in Zimbabwe

Tenor

- Short term – 12 months
- Medium term – up to 24 months