



REPUBLIC OF ZIMBABWE

PRESS STATEMENT

1. Zimbabwe was allocated **SDR677.4 million (US\$958 million equivalent)** by the International Monetary Fund (IMF), as part of the SDR's General Allocation of **US\$650 billion** that was released globally to all IMF member countries. It is from these resources that Treasury channelled SDR disbursements towards the following:
 - Horticulture Revolving Fund (**US\$30 million**);
 - Industry Retooling for Equipment and Replacement for the Value Chain Revolving Fund (**US\$22.5 million**);
 - Tourism Facilities Services Development and Upgrading Revolving Fund (**US\$7.5 million**; and
 - Smallholder Farmers Irrigation Infrastructure Development Fund (**US\$20 million**).
2. The total SDRs allocated to the productive sectors of the economy, amounts to US\$80 million (8.4% of the total allocated SDRs).

Steps of Accessing the various facilities

3. The steps of accessing the facilities are as follows:
 - Submission of an application through the participating banks;

- The respective bank shall conduct their normal credit assessments and due diligence through the risk sharing and co-financing model;
- The application from the bank should include a letter of support for the project from the line Ministry.
- The banks will forward the approved applications to Treasury through the respective line Ministry Parent, depending on the Fund from which the 80% cash cover Government Guarantee is being sought;
- Through the External and Domestic Debt Committee (EDDC), Treasury will appraise the applications and approve those that meet the conditions outlined in the **FRAMEWORK FOR EVALUATING, MONITORING AND MANAGING GUARANTEED AND ON-LENT LOANS** (see <http://www.zimtreasury.gov.zw/wp-content/uploads/2022/09/Framework-for-Evaluating-Monitoring-and-Managing-Guaranteed-and-On-lent-Loans-ZPDMO-MoFED-October-2020.pdf>)-Treasury would like to urge all applicants to familiarize themselves with the requirements of the Framework.
- The time line for the approval of the applications of the launched facilities will be 10 (ten) working days, if the application is in full compliance with the requirements of the Framework for Evaluating, Monitoring and Managing Guaranteed and On-Lent Loans; and
- In case of default, the guarantee can only be called after the bank has exhausted all possible means of recovery.

4. The details of the Funds are as follows:

4.1 **US\$30 million Horticulture Fund**

The US\$30 million Horticulture Export Revolving Fund (HERF), which will go a long way in empowering farmers to start horticulture projects, as well as acquire value addition facilities that will enable dehydrating, freezing, canning, bottling,

extracting, juicing and concentrating their produce. The **Horticulture Fund** can be accessed through the following banks; FBC Bank, CBZ, NMB Bank, CABS Bank and the AFC Land and Development Bank.

4.2 **US\$22.5 million Industry Retooling for Equipment and Replacement for the Value Chain Revolving Fund (REVCRF)**

The US\$22.5 million Retooling for New Equipment and Replacement for the Value Chain Revolving Fund, will support companies with their foreign currency requirements geared towards retooling and investments in value chains to increase production for both the local and export markets. The funds have been allocated to the following value chains:

- Cotton; US\$5 million
- Leather; US\$5 million
- Pharmaceutical Companies; US\$5 million
- Fertilizer; and US\$4 million
- Other Agro-processing; and US\$3.5 million

The **REVCRF** will be accessed through FBC Bank, BancABC and Ecobank.

4.3 **US\$7.5 million Tourism Facilities Services Development and Upgrading Revolving Fund (TFDURF)**

The **US\$7.5 million** Tourism Facilities/Services Development and Upgrading Revolving Fund will be for resuscitating companies in the tourism sector which were affected by COVID-19 pandemic with most enterprises closing down or scaling down operations during the pandemic period. The **TFDURF** will be accessed through CBZ and Nedbank.

4.4 **US\$20 million Smallholder Farmers Irrigation Infrastructure Development Fund (SFIIDF)**

The **US\$20 million** Smallholder Farmers Irrigation Infrastructure Development Fund (SFIIDF), will be disbursed through the National Budget starting in January 2023 to the identified 18 smallholder irrigation schemes spread in the 8 rural provinces of Zimbabwe, which excludes Harare and Bulawayo Metropolitan Provinces. A total of 18 smallholder irrigation schemes covering about 2854Ha, with about 5708 households will benefit from the fund. The initiative will go a long way in enhancing climate proofing agricultural production for the vulnerable and ensuring food and nutrition security. The specific irrigation schemes to benefit from the **SFIIDF** are indicated in Table 1.

Table 1: Irrigation Projects under the Smallholder Farmers Irrigation Infrastructure Development Fund

PROVINCE	DISTRICT	FARMING SECTOR	PROJECT NAME	TARGET AREA (HA)	WATER SOURCE	BENEFICIARIES	F/STUDY STATUS
Mash Central	Mazowe	Communal	Morefields	170	Morefields Dam	340	Design report
Mash Central	Mazowe	Communal	Mwenje	100	Mwenje Dam	200	Design report
Mat North	Lupane	Communal	Bubi-Lupane Extension irrigation	200	Bubi Lupane Dam	400	Design report
Manicaland	Buhera	Communal	Murambinda	200	Marovanyati Dam	400	Design report
Manicaland	Buhera	Communal	Ruti	80	Ruti Dam	160	Design report
Manicaland	Makoni	Communal	Upper Lesapi irrigation	130	Rusape Dam	260	Design report
Mash West	Ngezi	Communal	Muzvezve	200	Muzvezve River	400	Design report
Mash West	Chegutu	Communal	Riversdale	110	Mupfure River	220	Design report
Mat South	Gwanda	Communal	Mtshabezi irrigation	100	Mtshabezi Dam	200	Design report
Mat South	Mangwe	Communal	Smith Block irrigation	150	Shashane Dam	300	Design report

PROVINCE	DISTRICT	FARMING SECTOR	PROJECT NAME	TARGET AREA (HA)	WATER SOURCE	BENEFICIARIES	F/STUDY STATUS
Masvingo	Chivi	Communal	Nyahombe irrigation	60	Tokwe Mukosi Dam	120	Design report
Masvingo	Gutu	Communal	Munjera (Ruti)	100	Ruti Dam	200	Design report
Masvingo	Chivi	Communal	Gororo irrigation	150	Tokwe Mukosi Dam	300	Design report
Midlands	Mberengwa	Communal	Chaora block irrigation	230	Mundi-Mataga Dam	460	Design report
Midlands	Gokwe South	Communal	Mutange	134	Mutange Dam	268	Design report
Midlands	Zvishavane	Communal	Mabwematema irrigation	640	Mabwematema Dam	1280	Feasibility report
Mash East	UMP	Communal	Mutawatawa irrigation	100	Saparanyambuya Dam	200	Design report
Total				2,854		5708	