

Zimbabwean businesses in line to receive capital injection

Recognising their common goals, the Infrastructure Development Bank of Zimbabwe (IDBZ) has joined forces with Norsad Capital, a provider of private credit to scalable businesses focused on growth. This partnership was announced at a ceremonial event in Harare, Zimbabwe, on 13 September 2022.



Source: Supplied. Nathaniel Nyika, chief investment officer of Norsad Capital; Kenny Nwosu, chief executive officer of Norsad Capital; Thomas Sakala chief executive officer of IDBZ and Dr Reggie Dangarembwa head of credit and policy.

The parties have signed an MoU which sets out the terms of the partnership.

According to Kenny Nwosu, chief executive officer of Norsad Capital: “Our agreement means that we will introduce each other to potential transactions and seek to collaborate and share risk. We each have our own expertise and funding models, and together we can provide far more in-depth insights when putting together a deal.”

Both financial institutions focus on providing much-needed capital to businesses, which can be used to promote economic growth and improve livelihoods.

“We recognise that we share common objectives in terms of private-sector development in Zimbabwe, and this is what drives our decision to collaborate with each other,” explains Zondo Sakala, the chief executive officer of the IDBZ.

In terms of the agreement, the two parties will share contacts for potential business financing in Zimbabwe; assist each other when putting together sizable deals; and share investment opportunities of appropriate thresholds that meet the funding requirements of each party.

“In addition to the various benefits, it will be helpful for us to have a partner on the ground in Zimbabwe who has local knowledge and can provide us with insights on businesses located in the country with which we are considering doing business,” Nwosu says.

From a regional perspective, the deal fits the Norsad Capital focus on the Southern African Development Community (SADC), where Zimbabwe is located. “This is a region and market under-served by financial institutions, yet there are enormous business opportunities in the area,” says Nwosu, explaining the reason for the company’s focus.



WFP plans food relief for 700,000 Zimbabweans

13 Sep 2022



Identifying itself as an impact investor aligned to the United Nations Sustainable Development Goals (SDGs), Norsad Capital has a thematic approach and selects investments that clearly contribute to solving social and environmental challenges.

This objective aligns with the overarching aim of the IDBZ: to improve the quality of life of Zimbabweans. Many of the sectors that are of importance to Norsad Capital are equally significant for the IDBZ, such as the transition to clean renewable energy and the pressing need for financial inclusion.

Norsad Capital, previously known as Norsad Finance, was first established in 1990. Norsad offers tailor-made debt solutions to profitable growth companies in Africa and has a goal to impact 100 million lives over the next decade in line with its strategy to scale and deepen its impact in Africa.

All in all, this partnership augurs well for the future of the economy of Zimbabwe. Likely to make more capital available to growth-stage businesses in the country, this relationship will promote economic growth in the region.

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