



CALL FOR PROPOSALS
FOR IMPLEMENTATION AND ADMINISTRATION OF AN
EDUCATIONAL LOAN FACILITY FOR HIGHER AND TERTIARY
EDUCATION PROGRAMS

10 MAY 2017

1. INTRODUCTION

- 1.1 In the January 2017 Monetary Policy Statement, the Reserve Bank of Zimbabwe (the “Bank”) highlighted a number of policy initiatives to stimulate the economy and bolster confidence.
- 1.2 One such initiative was the re-establishment of the Educational Support Facility for students pursuing studies at higher and tertiary education institutions.
- 1.3 As at the end of December 2016, there were an estimated 145,000 students in various higher and tertiary education institutions pursuing studies in different fields.
- 1.4 Current and prospective students who do not have the requisite financial resources to support their education often fail to complete their studies, or choose not to pursue them at all.
- 1.5 Experiences drawn from various countries across the globe are that it is critical for society to have a mechanism by which students can access financing for their educational studies.
- 1.6 **In order to facilitate the envisaged student assistance, the Bank invites proposals from financial institutions registered in terms of the Banking Act [Chapter 24:20] and the Microfinance Act [Chapter 24:29] for the re-establishment of the Educational Support Facility and administration of loans or facilities or any financial accommodation extended in terms of the said Facility.**

2. SCOPE OF WORK FOR THE IMPLEMENTING FINANCIAL INSTITUTION

- 2.1 The scope of services of the successful financial institution shall include the following:-

Feasibility Study

- 2.2 The financial institution shall produce, in consultation with the Bank, the Ministry of Finance and Economic Development, and the Ministry of Higher & Tertiary Education, Science & Technology Development, a comprehensive feasibility study for a student loan model that optimises student reach and commercial viability through:
 - i. Researching on, proposing and presenting options for a viable operational framework for the student loan program, including recommending the student loan tenure, structure, and pricing;

- ii. Assessing the financial feasibility of the different options and various assumptions used in forecasts;
- iii. Assessing risk allocation approaches to ensure that they correspond with the requirements of the Bank and prevailing lending requirements;
- iv. Assessing risk management structures for potential efficiency gains through alternative structures or modifications;
- v. Identifying other contractual and commercial relationships that will need to be established for the execution of each option, including confirmation of loan application by the parent(s) / guardian(s) of the applicant student;
- vi. Summary of evaluation and assessment of all options considered;
- vii. Recommendation of a preferred option;
- viii. Assessing chosen approach to student loan framework and whether any aspect of that approach will conflict with available or required procurement, contracting and financing structures; and
- ix. Advising on a financial (capital) structure for injecting funding.

Implementation

2.3 The financial institution will be required to implement the chosen solution as follows:

- i. Managing the operational model and the credit management process for the student loan program;
- ii. Developing software tailored to facilitate effective loan origination, portfolio management and reporting;
- iii. Managing the implementation of the student loan management software, including but not limited to user access testing, training of the various stakeholders and the launch or introduction of the software to the market;
- iv. Launching and marketing the student loan program to the target market; and
- v. Establishing a physical presence at each of the universities, and providing a strong digital alternative for client onboarding, processing and installment collections.

Mandatory Information

2.4 The eligible and interested financial institutions are requested to indicate their willingness to participate on all or part of the scope of activities specified above by submitting in writing their Proposal that should be supported by verifiable information including the following:-

General Company Profile

- i. Company profile including type of financial institution, number of years in operation, shareholding or ownership structure, directors, senior management team and key technical staff, location of operations, registered address and contact details;
- ii. Evidence of registration with the Reserve Bank of Zimbabwe;
- iii. Audited financial statements for the financial institution and its consortium partners (where applicable) for the preceding 3 years; and
- iv. Tax Clearance Certificate.

Evidence of Technical Competence

- i. Detailed organisational profile including organisational structure, key personnel/professionals, training and qualifications; and
- ii. Details of projects which are considered relevant in demonstrating ability and capability to successfully undertake the proposed scope of work.

3. SUBMISSION OF THE PROPOSAL

The Proposal accompanied by a non-refundable application fee of **\$150.00** must be submitted by hand delivery on or before **19 May 2017 and no Proposal shall be accepted later than 1630 hours on 19 May 2017**. The Proposal must be addressed to:

The Director – Financial Markets

Reserve Bank of Zimbabwe
80 Samora Machel Avenue;
Harare

Ref: Educational Support Facility