

BDC FUNDING GUIDELINES



About BDC

Botswana Development Corporation Limited (BDC) is Botswana's main commercial and industrial development agency, established in 1970 and fully owned by the government. BDC funds commercially viable enterprises to build a sustainable, diversified economy, stimulate private sector growth, invest regionally and internationally, and generate wealth for the Government of Botswana. The Corporation invests in various sectors of the economy such as manufacturing, energy, industry, property, services, tourism, and technology, with the exception of large-scale diamond mining and primary agriculture.

Our Goals and Aspirations



Vision

"To be an investment partner of choice in the transformation of Botswana's economy"



Mission "To create sustainable economic value as a strategic investor of inclusive, impactful and productive enterprises"



BDC Offerings

BDC invests in large scale / mega businesses and/ or projects that require minimum funding of BWP 30million): **Debt Funding** - BDC provides loan financing tailor-made for individual business requirements. The loans are available at competitive interest rates and are repayable for up to 10 years. **Equity Funding** - Equity contributions are considered where the funding structure requires less debt and/ or where other private investors cannot be obtained. Where an equity contribution is required, this should be kept up to maximum of 26% of BDC ownership. **Mezzanine Funding** - Mezzanine funding is a capital resource that sits between (less risky) senior debt and (higher risk) equity that has both debt and equity features. **Guarantees** - Assurance that a certain level of return or the principal amount invested will be protected.



Key Considerations

The following are key considerations made when assessing an investment opportunity:

- Commercial viability
- Funding requirements
- Promoter's contribution
- Project team experience
- Developmental impact
- Local content incl. Local ownership



Checklist

1. **Submit a Business Plan/Proposal** - Guide available on our website (www.bdc.bw). 2. **Contribution by investor** - Minimum 15% of total project cost (Debt Funding) thus ensuring more accountability and 'skin in the game' from the promoters. 3. **Security** - Can be in the form of business assets (1.25 -2x value of loan amount). 4. **Know Your Customer (KYC) documents** Proposals should be sent by email to: clientrelations@bdc.bw



Client Service Principles

- BDC operating hours are: **0800hrs - 1700hrs (Weekdays) except public holidays that fall on weekdays.**
- Availability of services in both the English and Setswana official languages, and provision of service in the official language of the client's choice.
- Protection of the privacy and confidentiality of all clients according to the BDC conditions of employment.
- Provision of fair and non-discriminatory service to all customers in a timely and diligent manner.
- Provision of client service through multiple channels (online, email, telephone and postal mail).



Botswana Development Corporation



@BDCLimited



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Project Information Request List

NO.	ITEM
Know Your Customer (KYC)	
1	Certificate of Incorporation
2	CIPA Extract or equivalent for foreign entities
3	Annual Report
4	Ownership and control structure
5	List of Directors
6	Confirmation of address (affidavit, council rates or utility bill)
7	Valid Tax clearance certificate
KYC documents for Directors, Trustees & Beneficiaries, Shareholders (Natural persons with a holding of 10% & above) and Senior Management	
8	Certified copy of Omang (nationals)/Notarised passport by embassy, consulate or high commission (foreign nationals)
9	Proof of residence (confirmation by company secretary/utility bill/affidavit/council rates/lease agreement)
10	Contact details (telephone and email address)
Information required for projects with construction and development aspect	
11	Structural report prepared by a certified Structural Engineer (report should be less than 2 years)
12	Bills of Quantity prepared by a registered Quantity Surveyor
13	Title deed on immovable property
14	Approved architectural buildings
15	Valid building permit
16	Confirmation of approved EIA or exemption thereof from the Department of Environmental Affairs
17	Soil tests report
Details of other facilities	
18	Term sheet/Offer letter/Facility agreement for other loans approved for the business
19	Loan statement for existing loans (12 months statement)
Details of the technical partner	
20	Company profile of technical partner
21	Copies of professional references for the technical partner (3 copies)
Financial information	
22	Audited Annual Financial Statements for the past 5 years
23	Projected annual financial statements for a period of 5 years; including underlying assumptions, income statement, balance sheet and cash flow statement in MS excel
24	Latest set of management accounts
25	Valuation report for all assets to be pledged as security (report should be less than 2 years)
26	Confirmation of promoters' contribution in the form of; <ol style="list-style-type: none"> 1) Valuation report for all assets to be pledged as contribution and/or 2) Bank statement showing cash to be pledged as contribution Total contribution should equal 15% of funding requirement
Shareholder and management details	
27 28 29 30	Personal balance sheet of all shareholders
Business plan	CVs of all shareholders, directors, and key staff
31 32	ITC reports for all shareholders
	Credit Reference Bureau (CRB) reports for all shareholders
Comprehensive business plan as per the BDC business plan guide	
Funding required from BDC should be more than BWP30m	