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## RUSSIA-AFRICA CENTER OF COOPERATION

In order to provide the population with food, as well as mechanization of local production, mining and construction of road infrastructure, the Government of Zimbabwe, together with the Infrastructure Development Bank of Zimbabwe (IDBZ) and the African Export-Import Bank (Afreximbank), provided the **opportunity to launch high-yield production projects in the region, bringing Russian goods, machinery and equipment to market Zimbabwe and other African countries.**



A permanent platform has been set up in Harare (the capital of Zimbabwe) to demonstrate Russian goods, sign contracts, implement joint projects and provide legal support for transactions.

## OBJECTIVES OF COOPERATION

### 1. Export of Russian goods, machinery and equipment to African countries

- a. Showcase of Russian food, industrial and technology companies;
- b. Special trade and production area for Russian and joint ventures;
- c. Base for the training of technical specialists, craftsmen and repairmen;
- d. Service center of Russian equipment;
- e. Business missions, round tables and conferences;
- f. Legal support of transactions;
- g. Goods required in Zimbabwe:
  - i. **Food:** stew, canned fish, sprats, caviar, dry rations, flour, pasta...
  - ii. **Petroleum products:** diesel, gasoline, fuel oil;
  - iii. **Building materials:** bitumen, asphalt, rebar;
  - iv. **Fertilizers and chemicals:** Urea, AN, MOP, SOP, MAP;
  - v. **Machinery:** agricultural, road, construction, mining;
  - vi. **Equipment:** food production lines, packaging;
  - vii. **Dual purpose:** perimeter security, prefabricated structures...

### 2. Import of required goods from Africa to Russia (coffee beans, cotton, metals, etc.);

### 3. Launching joint projects in Africa

- a. Cultivation of agricultural crops;
- b. Food production;
- c. Mining;
- d. Construction of roads and infrastructure;
- e. Provision of the region with electricity and energy carriers;
- f. Technological support of critical infrastructure, cybersecurity, smart city, e-government, digital transformation, quality management and process management.

### 4. Implementation of social projects

- a. Healthcare and telemedicine;
- b. Export of Russian higher education and recruitment of students to Russia;
- c. Cultural exchange and tourism.



## **WE INVITE MANUFACTURERS**

**We invite manufacturers of food, equipment and machinery interested in bringing their products to the markets of African countries**, ready to develop their product lines, adapt them, if necessary, to the requirements of local markets, provide training for service and repair personnel, ensure the supply of spare parts, tools and accessories for the repair of machinery.

**Available Markets:** Zimbabwe, Tanzania, Kenya, Uganda, Nigeria, South Africa, Mozambique...

**We offer manufacturers and suppliers:**

- A platform for the demonstration of products in Zimbabwe;
- **Conclusion of contracts** for the purchase of equipment, **within 2 weeks of its demonstration**;
- Direct negotiations with customers from Zimbabwe and the nearest countries of Africa;
- Opening of a **service and repair shop** of Russian equipment in the region;
- Dealership and distribution of Russian products in Africa;
- Further **increase in the flow of orders**.

## **WE INVITE ENTREPRENEURS AND INVESTORS**

We invite entrepreneurs and investors to take part in the **formation of a pool of interconnected agricultural, mining, processing, trade and industrial projects** launched on the basis of a technological cluster in Zimbabwe, forming production chains, forming the domestic market, increasing the welfare of the population, and deepening comprehensive **economic cooperation between Russia and Africa**.

The launch of local production, using Russian equipment and technologies, makes it possible to obtain profits of more than 100% per annum on the invested capital.

## **WE INVITE PROJECT ORGANIZATIONS**

We invite project organizations ready to join the team to form a portfolio of projects based on Russian technologies, design their Business plans and calculate feasibility studies, link them together with further involvement of partners and financing for their implementation.



## AN INTEGRATED APPROACH

For the mechanization of the region in Zimbabwe, the **Mechanical Center** has been established, acting as a holder of equipment, managing production lines, leasing equipment to local farmers and contractors. The operator provides management of all equipment, controls its use in the field, ensures its maintenance and repair, maintains auto-mechanical centers. The operator acts as a single customer and payer to Russian manufacturers.

To ensure the supply of food, the **Trade Center** has been created that collects orders from large retail stores and forms a list of required goods for Russian suppliers. Incoming goods are certified, demonstrated to buyers, orders for their regular deliveries are formed.

The partner of the project, the African Export-Import Bank (Afreximbank), has the ability to open accounts in rubles and convert local currency and US dollars into rubles. Thus, **payment** in accordance with the supply contracts **can be made in rubles**, by direct payments to the manufacturer's settlement account in Russia.

The partner of the project, the Infrastructure Development Bank of Zimbabwe (IDBZ), is ready to finance agreed projects for the development of agriculture, extractive industry and infrastructure. These projects require machinery and equipment, personnel training, adjustment of technological processes, quality management and progress of work. **Joint work with Russian enterprises** will allow us to successfully solve emerging problems.

## COMPONENTS OF THE RUSSIA-AFRICA CENTER OF COOPERATION

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### **Exhibition and sale of Russian goods, machinery and equipment**

- Preparation of **trade and exhibition areas in Zimbabwe**
- Invitation of Russian manufacturers to participate in the exhibition
- Inviting local wholesale customers, retail chains and distributors of the region
- Conducting presentations, demonstrations and tastings
- Formation of orders for regular supplies

#### **Equipment export procedure:**

1. We coordinate the list of required equipment.
2. We make up a batch of demonstration samples.
3. The manufacturer brings the demonstration equipment to the operating site in Harare, makes a presentation of the equipment to customers, for the administration of the region and for representatives of banks, coordinates and signs a contract for the supply of machinery and equipment.
4. The manufacturer supplies machinery, equipment and spare parts.
5. The manufacturer's specialists train local mechanics in the operation, maintenance and repair of equipment, accompany the creation of a service center, and certify employees.

#### **The procedure for the export of Russian goods and food:**

1. The supplier provides a list of products that he is ready to export:
  - a. Catalog in English;
  - b. Product specification (in English);
  - c. Prices. You will need to agree on the final price of CIF Beira or Harare warehouse.
  - d. You will need to develop a product label or stickers in English.
2. We coordinate the final price with the buyer.
3. The supplier prepares and sends the first minimum batch for certification, demonstration to representatives of retail chains, tasting and collecting orders.
4. The importer carries out the certification and registration of the product.
5. We coordinate the volume of the next batch, taking into account the volume of wholesale orders.
6. We provide supply.
7. Payment for the goods is made upon arrival of the goods at the customs terminal in Harare.

For each manufacturer, it makes sense to start with the delivery of one container of different product samples. Even a box of each type is enough to carry out certification, conduct a demonstration to networks and collect orders. Then proceed to the supply of one container of products of each type, with the expansion of the assortment and orders.



## Special Economic Trade And Production Zone

- **Creation of a Special Economic Zone in Zimbabwe for Russian companies**
  - Tax holidays from 5 to 25 years and tax-free exports
  - Non-tender contracts for construction and procurement
  - Partial localization of goods, screwdriver assembly, repair shops
  - Financing of agreed projects
  - Investment payment circuit
- **Integrated development of industries**
  - Cultivation of agricultural crops
  - Food production
  - Mining (rare earth metals, minerals)
  - Housing construction
  - Road construction
  - Development of internal and external logistics
  - Creation of tourist infrastructure
- **Regional Development Fund**
  - Social infrastructure (hospitals, schools, modular university buildings)
  - Mobile diagnostic laboratories
  - Purchase of buses, computers
  - Water purification
- **Poor People's Fund**
  - Distribution of a part of the manufactured products to the population
  - Medical support
  - Social programs
- **Support of export contracts** (legal, certification, logistics, customs, banking services, etc.), consulting, "turnkey foreign trade".

### Investment payment circuit:

**Step 1:** Projects for the development of territories and plans for the launch of production enterprises with both domestic market and export potential are being prepared. The budget of the projects and the plan of their implementation are coordinated.

**Step 2:** Infrastructure Development Bank of Zimbabwe (IDBZ), together with private and corporate investors, provides **targeted investments** for the purchase of machinery and equipment, payment for construction and installation work, for the salaries of employees and the working capital of enterprises.

**Step 3:** The launched **enterprises form the domestic market**, create jobs, pay salaries, make deductions and provide part of the products produced to the Poor People's Fund and the Regional Development Fund.

**Step 4:** The export component of the products **generates foreign exchange earnings**, which pay off the debt on the investment loan to IDBZ and investors.



### Conferences, diplomatic missions and round tables on joint projects

- Operation of the platform in Zimbabwe for conducting **business missions** between representatives of local authorities, banks, regional customers and Russian enterprises.
- Regular Online Conferences and Round tables on joint programs and projects.
- Discussion of logistics and banking interaction issues (payments, financial tools).
- Development of solutions and cooperation plans.
- Strengthening international relations.
- Deepening the economic integration of the participating countries.
- Task: **formation of cooperation, joint trade and production chains.**

### Russia-Africa Development Institute

- Creation of an **institute for the preparation of joint projects between Russia and Africa.**
- Preparation of technical specifications and business plan, **feasibility study calculations**, construction of a financial model of the project.
- **Gathering a team** to implement the project, signing contracts with participants, JVA.
- **Attraction of financing** for the implementation of the project.
- Control of the **targeted expenditure of funds** for the implementation of the project.
- Export of Russian higher and secondary special **education.**
- Creation of training centers for working with Russian equipment and IT.
- **Recruiting students** to Russia.
- Cultural exchange and mutual tourism projects.

### Logistics operator

- **Development of cargo delivery routes from Russia to Africa and back**
  - Container transportation
  - Air transportation
  - Bulk dry cargo transportation
  - Multimodal transportation from the manufacturer to the terminal in Harare
  - Possible sea routes:
    - From the Black Sea port -> to the port of Africa;
    - From the Baltic Sea port -> to the port of Africa;
    - By railway to the port of Bardar Abbas (Iran) -> to the port of Africa;
    - Across the Caspian Sea to the port of Iran -> by railway to the port of Bardar Abbas (Iran) -> to the port of Africa;
    - From the port of the Far East -> to the port of Africa;
    - By railway to the port of Shanghai (China) -> to the port of Africa.
- Organization of a **Fullfilment Center in Africa**
  - Storage of goods in Africa
  - Placing products on local marketplaces with acceptance of retail orders
  - Order processing, payment acceptance and delivery of goods to the final consumer



## Banking and project financing

- **Contract banking**
  - Accepting payments for goods in Africa
  - Sending payments from Africa to Russia
  - Financial instruments (letters of credit, etc.)
  - Escrow services
  - Factoring
- **Financing of supplies and projects**
  - Financing of manufacturers in Russia under export contracts
  - Financing of Special Economic Zone projects in Zimbabwe
- **Launch of the state payment system**
  - There is an order from a number of states to create a national payment system;
  - Signing a contract with the government of the customer country;
  - Deployment of the payment system: construction of data centers, installation and commissioning of equipment, starting the software operation;
  - Transfer of state financial flows to this system;
  - Implementation of payments Russia < - > Africa;
  - Payment of export contracts through this payment system.
- **Launch of the internal payment system**
  - Creation of the payment system of the Special Economic Zone (SEZ)
  - All subsidiaries of the SEZ have accounts in this system
  - Project investments are transferred to company accounts in the payment system
  - An internal unit of account is introduced
  - Salaries are paid from these accounts
  - Social payments to participants for the purchase of products, things, ordering medical and social services go to these accounts.
  - **Purchases are made from these accounts at the target request**, which must comply with the agreed business plan or **project development plan**. At the same time, the company does not specify the counterparty, but **forms a target purchase request**. The counterparty is being sought by the SEZ procurement department, excluding corrupt chains of heads of enterprises with investment money.





## Export B2B Marketplace

- **Internet Marketplace of the Export Center (B2B, B2C)**
  - Integration of Russian manufacturers and suppliers to the site
  - Formation of a flow of orders from buyers
  - Prices from various suppliers and buyers' pass-through prices
- **Automation of the calculation of the price of goods with delivery to the destination** (port of Beira, Mozambique; Harare, Zimbabwe; South Africa; Tanzania; other African countries; countries of Asia, Latin America, Europe).
- **Marketing for manufacturers**
  - Market analysis with orders to manufacturers for the required positions
  - Creation and development of Russian brands and trade lines
  - Marketing, sales funnel development, advertising, PR
  - Bringing the company's product to new markets and marketplaces
- **Creating a network of representatives and branding**
  - Creation of dealer, partner, representative and volunteer networks
  - Launch of regional joint dialogues, programs and projects
  - Formation of the global reputation of "Made in Russia" and individual brands

## Directions for further development

- **Opening of Cooperation Centers in other African countries**
- **Search for international opportunities**
  - Search for foreign orders for supplies, services and construction
  - Search for government projects, tenders, grants
  - Tracking the development plans of States and their investment policies
  - Participation in industrial exhibitions, Seminars and Round tables of customers
  - Invitation to participate in projects, tenders, grants, orders to Russian manufacturers and participants of the Export Center.
- **Export of Russian technologies and Know-how under the subscription model**
  - We collect Russian competencies that are the best in the world (scientists, inventors, patents, technologies, etc.);
  - We formulate commercial proposals from them for their implementation abroad according to the subscription model;
  - We introduce Russian technologies at domestic and foreign enterprises;
  - We support technologies and equipment, create systems for the release and implementation of new versions and updates from customers.
- **National Programs**
  - Participation in the national project "International Cooperation and Export"
  - Participation in the national project "Digital Economy"



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Export

**We invite you to cooperate!**

Sincerely,

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