

IDC's RESPONSE TO THE UNREST







IDC INTERVENTION



IDC on-balance Sheet
Total Funding Package – R1,5 billion

- Post Unrest Business Recovery
 Fund of R1,4 billion
- Additional allocation of a grant fund of R100 million to Partnership Programmes through the Regional Progammes unit

IDC Managed Off- Balance Sheet Total Funding Package – R400 million

 Funds managed on behalf of dtic through the MCEP Economic Stabilisation Fund to be capitalised at R400 million.

SUPPORT TOWARDS BUSINESSES AFFECTED BY THE UNREST

Funds Available



Post Unrest Business Recovery Fund

Assist businesses that are either existing or new clients, who fit into IDC's mandate and who have been adversely affected by the unrest.

R1,4 billion

- Businesses that can demonstrate that they were affected by the unrest with a high levelof certainty that they will be profitable and sustainable going forward;
- Businesses within IDC mandated sectors, excludes retailers;
- Financials for the 2020-year ends (at minimum, complied financials for SMME) should be available and presented for review;
- Management accounts for 2021 should be provided;
- Letter of good conduct (Full general report or 12 months Bank statements) to be providedfrom company's banker;
- Businesses must have been in existence for at least 18 months.
- Client to undertake that there will be no retrenchments for the duration of the funding support.
- Businesses that are underinsured/uninsured/those that require bridging facility

MCEP Economic Stabilisation Fund

To provide funding to companies that have been affected by the unrest and associated supply chain disruption. This will be done through financing the businesses that are not covered by insurance or funding insurance shortfall

R 400 million

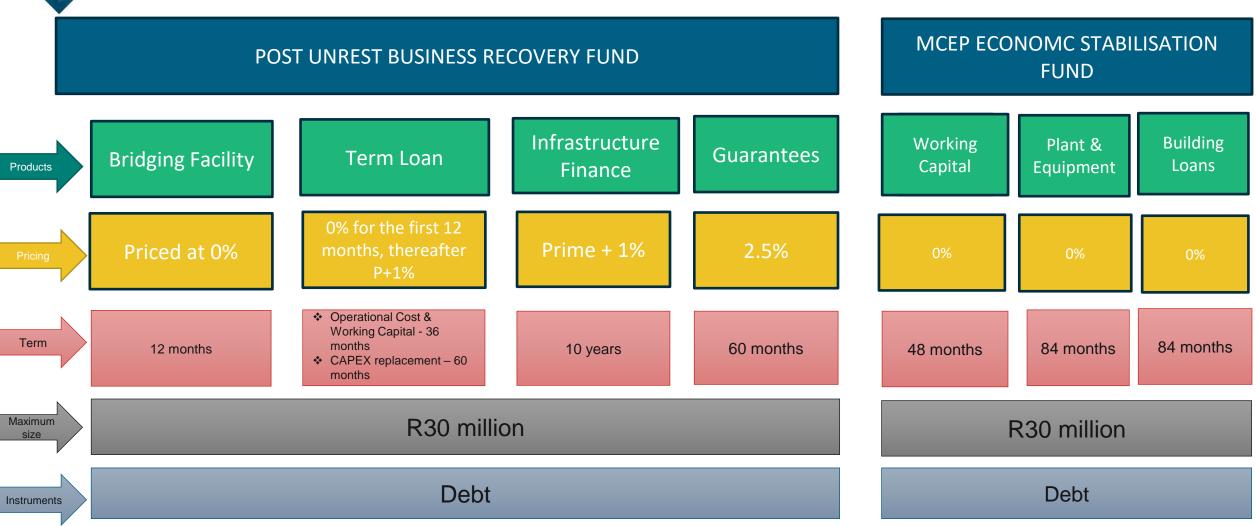
- Available for working capital, plant & equipment and building or building improvement requirements;
- Available to companies that have been affected by the unrest and have been operational for at least 12 months;
- Applicable to manufacturers, building and/or building improvements and associated supply chain businesses;
- Leveraged with IDC funding at a maximum MCEP/IDC split of 50/50.
- Available to businesses located in KZN and Gauteng.
- No retrenchments for the duration of the MCEP facility.
- Businesses that are underinsured/uninsured
- Loans may be converted to a grant provided the business will maintain the same level of employment the company had before the unrest. This must be achieved within 12 after first draw of the MCEP facility. A maximum of R3 million may be converted to a grant and limited to 30% of total funding requirement from MCEP and IDC.





PRICING, INSTRUMENTS AND TERM





- Clients to be afforded interest and capitalmoratoria as may be required.
 - IDC funding to be blended with MCEP funding.



Funds Available



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Fund Size

Qualifying criteria

Regional Programmes Grant Allocation

Provide technical and financial assistance to businesses in Townships, rural areas and small towns that have been affected by the unrest and associated supply chain disruption.

R 100 million

Grant support provided through intermediaries towards:

- Small traders
- Informal traders
- retailers
- Social businesses/enterprises;

Intermediaries to be considered to provide support to the above should be as follows:

- The enterprise uses a financially sustainable business model has a realistic prospect of generating sufficient income to exceed costs;
- The enterprise is democratic, accountable and transparent has a mechanism for ensuring accountability to its beneficiaries;
- The enterprise operates in a socially and environmentally responsible manner (including not impacting negatively on communities, their health and social wellbeing, their food security, the environment etc.);
- Crowding-in of co-funding and leverage these partnerships;
- Build a robust, enabling, supportive and inclusive ecosystem in support of the social economy;
- Promote collaboration and development of trust (social capital);
- Companies that have been in operation for at least 12 months;
- No retrenchments for the duration of the facility.

THANK YOU



