



IDC's RESPONSE TO THE UNREST



August 2021



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 Programmes 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

Purpose

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.

Fund Size

R1,4 billion

Qualifying criteria

- Businesses that can demonstrate that they were affected by the unrest with a high level of 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 provided from 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

POST UNREST BUSINESS RECOVERY FUND

MCEP ECONOMIC STABILISATION FUND

	POST UNREST BUSINESS RECOVERY FUND				MCEP ECONOMIC STABILISATION FUND		
Products	Bridging Facility	Term Loan	Infrastructure Finance	Guarantees	Working Capital	Plant & Equipment	Building Loans
Pricing	Priced at 0%	0% for the first 12 months, thereafter P+1%	Prime + 1%	2.5%	0%	0%	0%
Term	12 months	❖ Operational Cost & Working Capital - 36 months ❖ CAPEX replacement – 60 months	10 years	60 months	48 months	84 months	84 months
Maximum size	R30 million				R30 million		
Instruments	Debt				Debt		

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

Funds Available

Regional Programmes Grant Allocation

Purpose

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.

Fund Size

R 100 million

Qualifying criteria

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 well-being, 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

