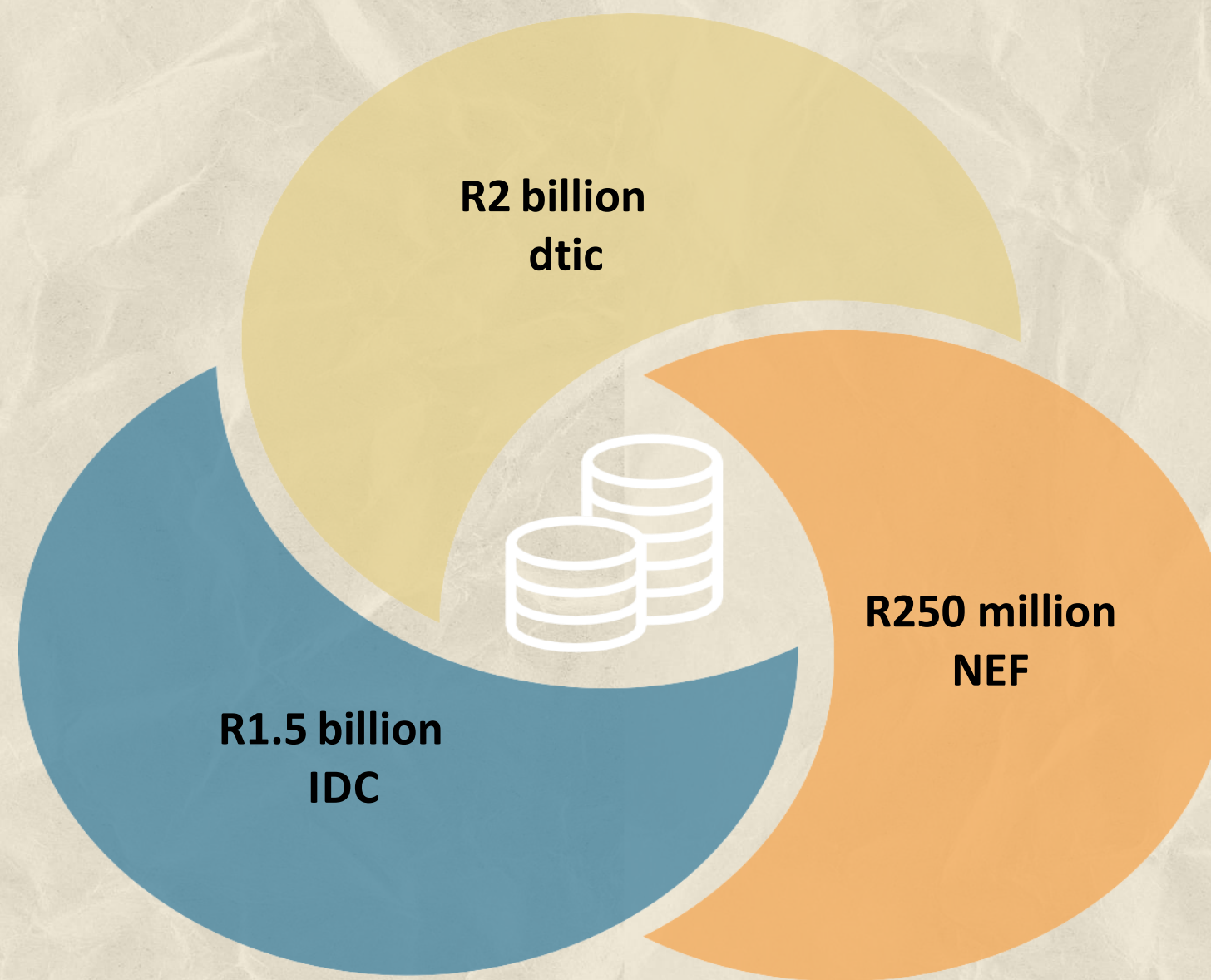


Economic Rebuilding Package

The government, through the dtic, DSBD, IDC, NEF and Sefa, is providing funding packages to support various business recovery interventions.



R 3.75 billion total funds contributed



IDC Business Recovery Fund: Response to civil unrest

The IDC has tailored a comprehensive package that includes funding support for businesses and communities affected by the unrest. The considered response comprises a total recovery package totalling more than R1.5 billion

- 1.R1.4 billion** Post-unrest Business Recovery Fund to assist all businesses (existing and new clients) that operate in sectors the IDC funds. The funding will be available at concessionary rates to ensure significant development impact.
- 2.R100 million** grant allocation to provide technical and financial assistance to small businesses in townships, rural areas and small towns that have been affected by the unrest and associated supply chain disruptions.
- 3.R10 million** CSI allocation to support food security and recovery efforts in affected communities. This funding will cater for school infrastructure rebuilding, support for care facilities and clinics. The IDC will focus mainly on rural, outlying and less-developed areas that now face increased vulnerability. The IDC will be working with its established NGO partners to ensure reach and impact.

In addition, the IDC will be administering (the dtic's) R400-million Manufacturing Competitiveness Enhancement Programme (MCEP) Economic Stabilisation Fund. The fund will support manufacturing companies affected by the unrest, including those impacted by associated supply chain disruptions. The fund will offer concessionary funding to affected companies through interest-free loans.



IDC Business Recovery Fund: Response to civil unrest

| Fund | Post-unrest Business Recovery Fund | MCEP Economic Stabilisation Fund |
|-----------------------------|---|--|
| Purpose | <p>This fund is earmarked as a response to assist businesses that are either existing or new IDC clients, that fit into the IDC’s mandate and that have been adversely affected by the unrest.</p> <p>Businesses outside of the IDC mandate are expected to be assisted through the programmes under the ambit of Partnership Programmes for Regional Stabilisation.</p> | <p>The purpose of the MCEP Economic Stabilisation Fund is to provide funding to companies that have been affected by the unrest and associated supply chain disruption. This will be done through financing businesses that are not covered by insurance or those with funding insurance shortfalls.</p> |
| Amount | R1.4-billion | R400-million |
| Application of funds | <ul style="list-style-type: none"> • To provide bridging finance, pending the receipt of insurance proceeds arising from the unrest • Funding to cover short-term operational losses, provided that the business demonstrates clear plans of recovery of operations through a reasonable business plan • Working capital funding; • Capex/equipment finance where funding is used to replace assets that were damaged or destroyed and where such assets were uninsured or underinsured • Property finance where property was not subject to finance (this will be limited to industrial, retail and warehouses) | <ul style="list-style-type: none"> • Replacement of lost capacity and associated stock which should largely be addressed by current MCEP funding. However, an equity style product will likely be required • Replacement of stock in distributor and retailer warehouses that are currently not supported by any IDC or dtic funding schemes but which would have a negative impact on the manufacturing sector • Working capital shortfalls as a result of supply chain disruptions, which could result in delayed receipt of raw material and subsequent cancellation of sales orders |
| Salient features | <ul style="list-style-type: none"> • 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 • Limited only to South African companies affected by the unrest • Client to undertake that there will be no retrenchments for the duration of the funding support | <ul style="list-style-type: none"> • 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. |

| Fund | Post-unrest Business Recovery Fund | MCEP Economic Stabilisation Fund |
|---|---|--|
| Financial instruments, terms and other | <ul style="list-style-type: none"> • Debt • Maximum amount R30-million • Bridging finance <ul style="list-style-type: none"> - Price 0% - Term 12 months • Term Loan – <ul style="list-style-type: none"> - Price 0% for 12 months Thereafter P+1% - Term Opex and working capital 36 months; Capex replacement 60 months • Infrastructure Finance <ul style="list-style-type: none"> - Price – Prime+1 - Term – 10 years | <ul style="list-style-type: none"> • Debt and quasi equity-type instruments will be used • Maximum investment size of R50- million • Revolving Credit Facility • Could be provided on a standalone basis • Term to be limited to a maximum of 48 months for working capital and 84 months for plant and equipment (inclusive of moratorium) • Return <ul style="list-style-type: none"> - Debt – Interest free loans for the first 24 months and 2% thereafter. - Quasi equity – RATIRR of 2% for quasi equity type |
| Exclusions | <ul style="list-style-type: none"> • Repayment of existing debt obligations to commercial banks or other financiers • Funding for expansions • Property finance, where property was financed and proceeds of insurance will flow to financier • Capex/equipment finance funding to replace lost capacity, where assets were financed and proceeds of insurance will flow to financier • Repayment of shareholders’/ intercompany/related party loans | <ul style="list-style-type: none"> • None specified |



IDC Business Recovery Fund: Matching Grant

| Fund | Partnership and programmes Regional Stabilisation |
|---|---|
| Purpose | The purpose of the grant funding will be to 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. The focus will be on the businesses that are not covered by insurance or experience funding insurance shortfall. The funds will be adjudicated upon and disbursed according to the PP Regional Programs Unit's criteria (SIF and SEF). |
| Amount | R100 million |
| Application of funds | <p>Funding (Capex and Opex) needs to address the recovery including:</p> <ul style="list-style-type: none"> • Replacement of lost capacity and associated stock which should largely be addressed by the Fund. • Replacement of stock in distributor and retailer warehouses which are currently not supported by any IDC or dtic funding schemes but would have a negative impact on the manufacturing sector. • Working capital shortfalls (maximum 48 months) due to supply chain disruptions which could result in delayed receipt of raw material and subsequent cancellation of sales orders. |
| Salient features | <ul style="list-style-type: none"> • Fund administered through intermediaries who are financially stable and socially responsible • Intermediary expected to crowd in other funding • The companies that are supported must have been in operation for 12 months and plan no retrenchments for the duration of the facility |
| Financial instruments, terms and other | <ul style="list-style-type: none"> • The facility will be grant funding and where possible funds will be crowded in from other Institutions. • The maximum grant per intermediary to be revised from R5 million to R10 million. |
| Exclusions | None Specified |

- A **dedicated E-mail address & Call Centre number** has been established to service clients applying for the Fund
- **Pre-screening questionnaire and application forms** have been created and web-based platform for clients to complete is on our website
- A **dedicated team** has been established **to process applications and conducting due diligences**
 - Team comprises business development managers to assess applications, and deal makers to support on due diligence efforts.
- A **dedicated Legal resource** to be allocated to assist with the legal due diligence and compliance
- **Disbursements will be on an accelerated basis**, subject to all conditions precedent being met.

UNREST BUSINESS RECOVERY FUND

**ARE YOU AFFECTED BY THE CIVIL UNREST,
LOOTING AND DESTRUCTION OF PROPERTY?**

Click here to apply for the unrest business recovery fund

[READ MORE](#)



Contact Details

Proposals to be sent to IDC at recovery@idc.co.za or contact
011 269 3111

For more information, <https://www.idc.co.za/unrest-funding/>

the dtic

recovery@thedtic.gov.za

or contact 0800 006 543

NEF

recovery@necorp.co.za or

contact 0861 843 6333

sefa

BRP@sefa.org.za

or contact 0860 663 7867