

IDC COVID-19 ESSENTIAL SUPPLIES INTERVENTION

The IDC COVID-19 Essential Supplies Intervention is established to provide funding to companies for the acquisition and/or the manufacturing of essential supplies on an urgent basis to combat the Covid-19 pandemic that is facing South Africa. Essential supplies should include products on the comprehensive list published by the Treasury Department (which may be updated) and include other products that are critical to the treatment and curtailment of the spread of the disease.

QUALIFYING CRITERIA

- Companies that have a track record of manufacturing comparable products. In other words, that are capable of delivering on the contract in terms of capacity, resources and experience.
- In the case of imports and trade finance the lack or insufficiency of local manufacturing should be confirmed and capacity and experience to import at the required scale should be demonstrated.
- Company should be an accredited supplier (where applicable) if contract or purchase order is with government, retailers or multinationals.
- Company should demonstrate profitability as per historical financial statements
- The intention should not be profiteering - the mark-up should be reasonable.
- Contract or purchase order with either the South African government or a strong customer for essential supplies.
- In the absence of a contract or orders a corporate guarantee from a company with Investment Grade may be considered. Where a clearly demonstrable shortage of supply exists, letters of intent may be motivated.
- Geographic focus to be South Africa and SACU.
- Exports are allowed if it forms part of a bigger contract for manufacturing but an excess portion of products is exported

FINANCIAL INSTRUMENTS AND TERMS

The following instruments are available:

- Short term loan for once off- contract or import funding
- Revolving Credit Facility
- Guarantees to banks for banking facilities, imports, ordering requirements
- Term to be limited to a maximum of 3 months for all facilities

Interest rate and pricing:

- IDC loan and trade finance facilities: P + 1% pa
- MCEP Loan facilities 2,5% pa
- Guarantees: 2% p.a.

PRIORITY SECTORS

Essential supplies should include products on the comprehensive list published by the Treasury Department (which may be updated) and include other products that are critical to the treatment and curtailment of the spread of the disease typically as per the list below:

- Bulk supplies of disinfectants and sanitizers;
- Accredited masks;
- Accredited test-kits;
- Medical Gloves;
- Packaging (bottles, caps, pumps, sachets etc);
- Sanitisers (hand or industrial);
- Toilet Paper, Wipes, Tissue Paper, Sanitary Pads;
- Cleaning materials;
- Chemicals;
- Approved drugs;
- Ventilators and filters;
- Nebulisers and nebulising agents;
- Hospital beds;
- Oxygen;
- Aprons;
- Safety Visors;
- Raw materials to manufacture essential products;
- Urgent regulatory and compliance testing of products or treatments if required.

INFORMATION REQUIRED

The following information is required to the satisfaction of IDC:

- Applicant background detailing historical and existing manufacturing and trading facilities and capabilities (summary of business model, products and why IDC should fund them – commercial merits)
- Letter of standing from the bank (and all other financiers)
- Bank statements for the last 12 months
- Confirmation and copies of all other financing facilities
- FICA documentation and PEP status
- Tax clearance certificate
- CV's of Management
- Financial statements (annual audited or reviewed and interim management accounts not older than 2 months).
- Analysis of stock, debtors and creditors
- Budgets including the contract

- Description of Project and products to be manufactured.
 - Copy of contract or purchase order from government or reputable strong customer i.e. retailer, or multinational;
 - Documentary evidence of product accreditation where required by government or customer;
 - Quotations to support application of funds
 - Motivation/validation of applicant's supplier to determine its credibility and ability to deliver the contracted supplies.
 - Payment terms of suppliers
 - Supply chain arrangements i.e. how will the product be shipped, after how long?
 - Security available
 - Personal balance sheets and balance sheets of guarantor
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- Legal information as per the fact track legal DD information request as below:
 - 1. Corporate Records, Management and Shareholders**
 - Copies of the registration certificate, memorandum of incorporation, share certificates, securities register including particulars of share capital, showing authorised and issued capital and classes of shares, copies of any agreement or commitment to create, issue or transfer shares (including loans and share options).
 - 2. Compliance**
 - Details of any compliance programmes of the company including: product liability, competition law.
 - Copies of all compliance notices issued to the company by the companies' Commission.
 - 3. Government Regulations and Filing**
 - Copies of all licences, consents, permits, authorisations required to carry on the business of the company or target.
 - 4. Litigation**
 - Details of any litigation, arbitration, investigations, pending or threatened action by or against the company.
 - 5. Agreements**
 - Copies of all material and long term contracts including leases, facilities agreements with financial providers, supply agreements, off balance sheet funding, preference shares, profit sharing agreements, options, share incentive schemes.
 - Copies of any guarantees, sureties, indemnities, letters of comfort, notarial and mortgage bonds provided to third parties.