



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.