

Funding information seminar - SMME opportunities

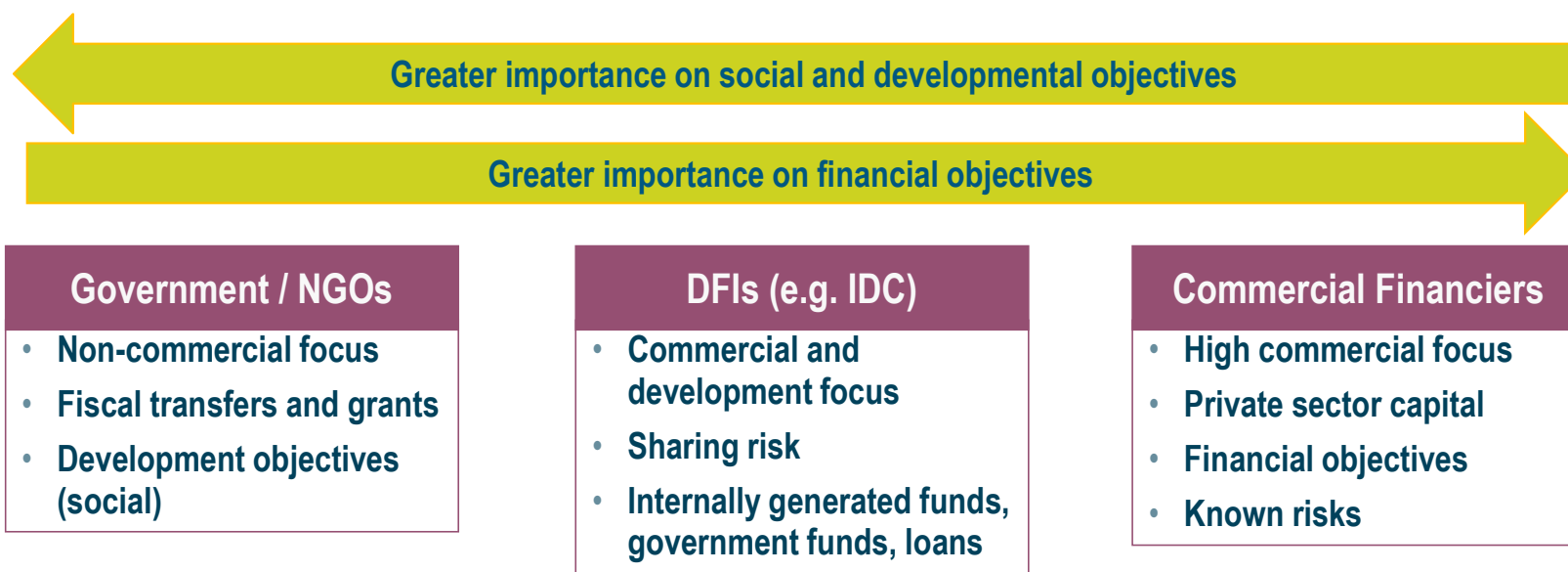
Date and time: 21 February 2024, 9:00 – 13:00

Kwakanya Mtintsilana
Dealmaker – Eastern Cape East





Positioning of DFIs within financial system



DFIs should not compete with other institutions but should
Instead, encourage cooperation to achieve its goals



IDC credit assessment process

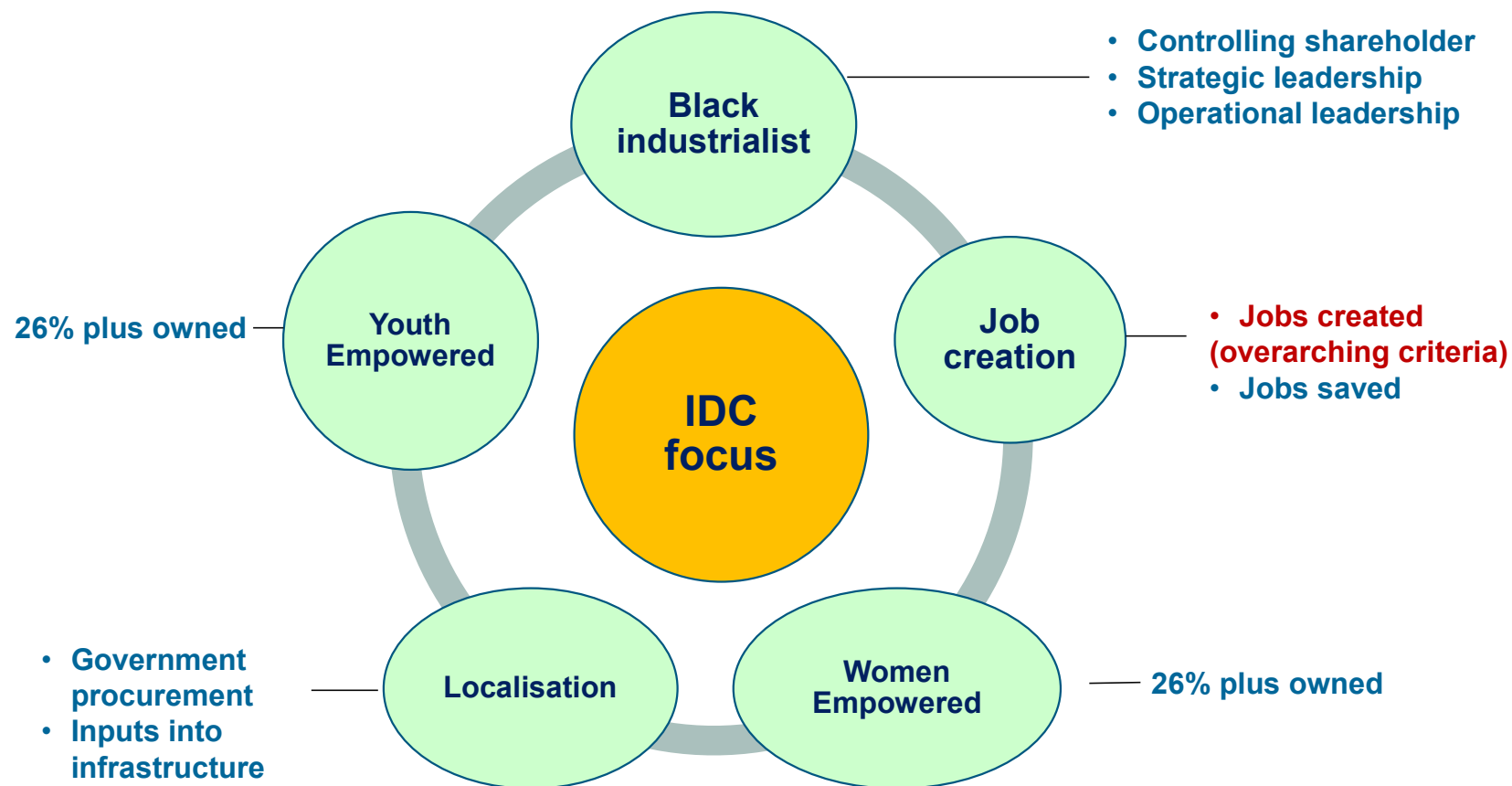


- Shareholder/management information – background, skills and experience
- Financial Information – reliability of financial statements, key ratios, shareholder's contribution
- Market information – contracts, customer commitments, LOIs, size, competition
- Technical information – plant and equipment configuration, raw materials, labour

Submission of required information is one of the main reasons for holding up applications



IDC – Development Outcomes





Market for product or services

- Macro Economic Factors;
- Market Supply;
- Customer Information;
- Product Information;
- Marketing Plan:
 - Marketing objectives;
 - Marketing strategy;
- Revenue Budget.



TECHNICAL VIABILITY AND COMPETITIVENESS

- Current and/or proposed manufacturing process;
- Existing and proposed assets;
- Regulatory requirements;
- Intellectual property;
- Production expenses;
- Raw material and supply;
- Personnel breakdown.



FINANCIAL VIABILITY

- Financial Position and Changes in Financial Position:
 - 2 year historical;
 - Management accounts (Max 2 months old);
 - 2 full years monthly budget thereafter annually for the term of the loan;
- Ratios.



MANAGEMENT

- CEO;
- Marketing Manager;
- Technical or Production Manager;
- Financial Manager.



Concessionary development funds

Key Objective:

Size:

Gro-E Youth (35 years and less)

- Encourage youth entrepreneurship and employment creation, expanding RSA production capacity
- Youth shareholding at least 26%

- **Size R950m**
- R750k per job
- Pricing P-2% and P-3%
- Max R50m

MCEP

- To assist manufacturing companies with working capital
- Support Black industrialists with capex
- Blended with 20% IDC risk priced funding

- **Size R1Bn**
- Pricing 2.5%
- R30m per applicant
- 48/84 months

UIF II

- To contribute towards sustainable job creation and retention
- Blended with 30% IDC risk priced funding

- **Size R5Bn**
- R750k per job
- Pricing from 6.11% to 8.61%
- Limit R120m per applicant

Agri-Industrial Fund

- Develop a competitive industry in the food, beverage, fibre, forestry and agro-derivative industries; that utilises and develops local and regional resources to supply domestic demand and increase participation in international trade (at least 60% black owned)

- **Size R1Bn over 5 yrs**
- Grant funding and scheme related pricing
- Min R1m

Agro-processing Competitiveness Fund

- To facilitate increased competition, growth and development in the Agro-Processing and beverage sector.

- **Size R250m**
- Pricing 5%
- Min R1m and Max R15

THANK YOU

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