



TOWNSHIP ENERGY FUND (TEF)

Background to TEF in OR Tambo

The Township Energy Fund (TEF) is an Industrial Development Corporation (IDC)-initiated project – implemented by strategic implementation partners across the country – to address issues experienced by small and micro-businesses that have been impacted by the energy crisis and loadshedding.

Siyakholwa Development Foundation (SDF), an Eastern-Cape based Non-Profit Organisation, has been appointed by the IDC as its strategic implementing partner to implement the TEF in the OR Tambo District Municipality (including local municipalities) in the Eastern Cape.

Aim of the Fund

The TEF has been established to provide grant-funded, energy-related support to SMMEs that have been impacted negatively by the energy crisis in the country. The aim of the fund is to assist small and micro businesses operating predominantly in small towns, rural areas and townships to continue to contribute positively to the economy in their immediate area and district in which they operate. The support to SMMEs is in the form of sustainable energy programmes and solutions funded by the IDC – provided by SDF and its implementing partners – to ensure business continuity, growth and expansion – in terms of turnover and job creation.

The energy solutions include (but are not limited to):

- Solar systems
- Smart meters
- Pre-paid meters
- Renewable energy solutions
- Energy management

SDF have been appointed by the IDC to administer, manage and deal with funding that has been earmarked for the implementation of the TEF in the OR Tambo District.



TEF Solutions

Possible energy solutions that could be provided to successful applicants include (but are not limited to):

- Spaza shops – generator and gas stove to a maximum of R50 000
- Hair salons – inverter to a maximum of R100 000
- Bed and breakfast – solar panels, inverter and battery back-up to a maximum of R250 000

Who Can Apply?

The focus of the TEF is on South African-owned small and micro-businesses within townships, small towns and rural areas within the OR Tambo District and its local municipalities that have been in operation for at least 18 months and are registered, currently operational, and trading.

Applicants and businesses must show how loadshedding and the energy shortage has impacted them and how an energy solution will benefit them in terms of growth both from a turnover and a job creation perspective.

Beneficiaries can include formal and non-formal traders, social businesses, small retailers and manufacturing businesses.

Mandatory Requirements for Applications

Business and entities that apply for the TEF must firstly complete the online application form. This can be found on the SDF website: [Siyakholwa Development Foundation | Helping build stronger communities](#), or on our Facebook page.



It is important that:

- The business must be a registered, trading entity – in the absence of business registration, a letter from the local councillor confirming that the business has been trading for the past 18 months and is currently trading will be considered (specifically for businesses in townships or rural areas)
- The entity/business must be a South African-owned business
- If in food and beverage, the entity must have a valid municipal permit
- If an informal trader, the person/entity must have a valid municipal permit as an informal trader
- The business must have been trading for a minimum of 18 months
- The entity/business must give details of how the energy crisis, energy shortage, electricity shortage or loadshedding has impacted them in the last six months
- The business must confirm that it has not received any benefit, grant, donation, funding or financial or technical assistance from any government or non-governmental organisation in relation to energy shortage, energy efficiency or economic stabilisation

Required Documentation to be included with the Application

The following documents will need to be submitted with the application (failure to submit these documents could result in the application being declined):

- Business registration documents/letter confirming operation of business/entity from local councillor
- Certified copy of owner(s) ID
- Brief company profile (1 page) showing services/products
- Company bank statements for the past six months
- Confirmation of ownership or lease where business is operating (lease agreement or letter from councillor)
- Income and expenditure statement (basic) showing income and expenditure of the past three months
- Proof of insurance (if the entity has insurance for vehicles or equipment) – if not, applicant to provide letter stating that the business has no insurance
- Business plan (if the entity has one) – if the entity does not have a business plan this will not be a disqualifying factor



Application, Selection and Beneficiary Roll-out

The application, selection and beneficiary roll-out process is set out below and will comprise the following stages:

Activity	Start date	End date
Applications to TEF (online)	03 July 2024	20 July 2024

If shortlisted, SDF and its implementing partners, In-Pursuit and GMRSM, will carry out a site visit to the shortlisted businesses for the following:

- To verify all business and operational information (business due diligence)
- Carry out an energy or energy-related needs analysis to inform the possible energy solution
- Determine the business needs based on size, location, product/service, possible growth and expansion, etc.

Following the site visits and due diligence carried out on shortlisted businesses, SDF and its implementing partners will finalise the selection of the successful beneficiaries. These beneficiaries will be informed in writing and will receive grant support in the form of equipment, installation, commissioning and hand-over.

Successful Beneficiaries

Successful beneficiaries will be informed by 26 June 2024. Applicants who have not heard by this date can assume that they have been unsuccessful. Successful beneficiaries will be expected to agree to the following:

- Entering into a legal contract between the business and SDF setting out the legal obligations on the beneficiary in relation to their participation on, and benefit from, the TEF
- In the case where the business has a lease agreement, the beneficiary will be expected to obtain agreement, in writing, from the property owner, for the installation, commissioning and handover of the identified energy solution.
- That they will not sell or dispose of the capital assets or equipment acquired under the TEF for a period of three (3) years after acquisition
- Ensuring that they are available for installation, commissioning and handover of the energy solutions to be provided



- Put measures in place to ensure the safety, security, upkeep and maintenance of the equipment as per supplier specifications (including but not limited to insurance)
- Agree that the capital assets remain the property of SDF/IDC for a period of ...
- Undertake to complete and submit monthly performance and impact reporting to SDF and its implementing partners for at least 18 months after handover
- Allow access to any SDF or IDC representative for the purposes of site and due diligence visits for the period of the project and for a further 18 months after the end of the TEF project

Technical Partners

