

## **Township Energy Fund**

### **Frequently Asked Questions**

#### **What is a Strategic Implementing Partner (SIP)?**

SIPs are applicants to the Fund, who wish to implement the Programme of providing energy solutions to township, small town, and rural enterprises around the country.

#### **Who qualifies as a SIP?**

Any non-state organization with a legally recognized form of registration is eligible. This includes for-profit companies and not-for-profit organisations that meet the minimum criteria in terms of network, reach and capacity, as well as other criteria stipulated. The ability to implement the programme and (2) work with Energy Solution installers to ensure that the energy requirements of the beneficiaries are assessed correctly, and appropriate solutions procured and installed will be a primary determinant.

#### **Why are SIPs being utilized?**

Working through SIPs provides the following benefits to the IDC including:

- Expanding IDC's reach and proximity to end beneficiaries.
- Ability to identify, verify and on-board legitimate beneficiaries given their local experience.
- Ability to roll out funding rapidly in a responsible manner.
- Provide additional support over and above financing such as business support, training etc.
- Ability to crowd-in and or leverage additional resources; and
- Monitor and report.

#### **Is the call open to individual businesses and SMEs?**

No. SIPs will identify end-beneficiary enterprises through their own calls and assessments within communities.

**What is the maximum amount per SIP?**

A maximum of R10m per SIP will be considered. Should the SIP perform, they may apply for an additional R10m once 80% of the first approval has been disbursed.

**Who is the intended end-beneficiaries?**

Any township, rural or small town-based business whose operations and ability to generate revenue have been severely affected by the energy shortage. These include formal and informal traders, social businesses, small retailers and manufacturing businesses.

**What can the grant be used for?**

Capital equipment limited operational expenses, technical support and training for end-beneficiaries.

**What is the maximum per end-beneficiary enterprise?**

SIPs will determine the maximum they may wish to on-grant in their proposal, up to a maximum of R250 000. There is no minimum.

**What energy solutions qualify?**

Any appropriate energy solution for the end-beneficiary enterprise qualifies. It may be anything as small as a gas burner to a generator and solar panels.

**Must a SIP have experience in providing alternative energy solutions?**

Yes, unless they partner with a service provider that has the appropriate knowledge and experience.

**What is the number of end-beneficiaries that a SIP must reach?**

The SIP will provide the targeted number of end-beneficiary businesses as part of their proposal/application.

**What are the repayment terms?**

The programme is a grant.

**Is the minimum of three years' track record a strict criterion?**

Yes, it is a strict requirement.

**Are there any restrictions in respect of the sectors the end-beneficiaries operate in?**

No, as long as they operate legally and within the law.

**Must SIPs provide audited financial statements as part of their application?**

Yes, recent audited financial statements need to be provided.

**Is there a maximum "management fee"?**

Yes, 15%.

**What should this 15% cover?**

SIPs are being compensated for the expectations in respect of rolling-out the programme, including:

- Identify end-beneficiaries.
- Identify installation partners (transformed and local).
- Manage assessment processes.
- Procure solutions.
- Manage implementation process and installer.
- Facilitate training of end beneficiaries.
- Provide support to end beneficiaries for a period of 6 months post-implementation.
- Monitor and report to IDC on milestones and outcomes.

Details, application forms etc at <https://www.idc.co.za/townshipenergyfund/>