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# Kaxu Solar One

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## SEED+ Programme – KaXu Solar One

KaXu Solar One is a Solar Power plant in South Africa, offering clean and reliable electricity to 80,000 households. Along with the operation of the plant, Kaxu Solar One and the project shareholders are committed to the socioeconomic development of the local communities in a 50 km radius around the plant as per the REIPPPP requirement: Pofadder, Pella, Onseepkans, and Witbank, in the Northern Cape. This commitment is materialised into the SEED+ programme, which has a twofold approach addressing socioeconomic and enterprise development.

### What is KaXu Solar One?

KaXu Solar One is a **solar power plant in South Africa**, based 30 km north-east of Pofadder in the Northern Cape. The plant incorporates cutting-edge storage technology that enables production to continue after sunset. The project has been developed, built and is being operated as part of the **Renewable Energy Independent Power Producer Procurement Programme** (REIPPPP).

KaXu Solar One, a well arranged **public-private partnership**, was awarded by the Department of Energy of South Africa as a Round 1 project and is serving clean and reliable electricity to **Eskom** under a 20-year power purchase agreement. **Atlantica Yield** owns 51% of the project, the **IDC** 29% and the **Kaxu Community Trust** 20%.

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## What is SEED+?

The SEED+ programme focuses its efforts in two main action lines: **Enterprise and Socioeconomic Development**. On the one hand, the Enterprise Development programme works on access to funding; business training, and promotion of local businesses through institutions and organizations. Simultaneously, the Socioeconomic Development programme works on education, infrastructure and social protection.

### A. Enterprise Development Programme:

#### 1. Access to funding opportunities

In an effort to create a solution for small businesses to access finance, the ED Programme took the initiative and engaged the **Small Enterprise Finance Agency (SEFA)** to provide wholesale funding for the establishment of a fund for on-lending to small businesses in the Northern Cape. Following months of negotiations, meetings and facilitation, SEFA agreed with the concept and 15 million ZAR was approved to establish a fund for on-lending to small businesses.

**Siza Capital**, a microfinance institution that supports livelihood improvement among the poor and low income communities in South Africa, will manage the fund. Siza Capital has the required experience and knowledge for on-lending to Small and Medium Enterprises. They are a registered credit provider with the National Credit Regulator and comply with best practices and regulations of the National Credit Act.

#### 2. Business training programme

In 2015, a 19-modules training programme for **40 local entrepreneurs on business management skills** was carried out. The programme consisted of nearly 80 hours of classroom-based mentoring and training in the local community of Pofadder.

#### 3. Promotion of local businesses through institutions and organizations

Existing local infrastructures and institutions are needed in order to develop the business network. Kaxu Solar One **sponsors fairs, conferences,**

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and other networking events that help promoting interaction among entrepreneurs and raise awareness for local businesses outside of the community.

Kaxu Solar One is part of the **Khâi-Ma Business Development Coordinating Forum**. The intention of the Forum is to create a platform where all the major role-players in the community can discuss and plan initiatives with a collaborative approach, ensuring that no duplication of funds or resources occurs. Bearing in mind that the **Integrated Development Plan (IDP), Spatial Development Framework and Community Development Plans** are some of the guiding documents needed for consideration in the Development Forum, the Forum will ensure that community members from ground level enjoy the fruits of these initiatives, and ultimately the lives of the poorest in the community are positively affected.

## B. Socioeconomic Development

The programme is structured into three areas: education (children and adults), social protection, and infrastructure and community development. The goal of this action line is **balancing economic, social and cultural development**, providing value to the communities in which Kaxu Solar One is present, with special **emphasis on children, women, the disabled, and the elderly**.

### 1. Education

**Child education:** since the beginning of the project, Kaxu Solar One has promoted access to education for the youth, aiming at solving issues relevant for this population group. The **Youth Educational programme** seeks to involve young people in healthy leisure activities, developing habits and skills like **healthy sportsmanship, team work and leadership**.

**Adult education:** there is a high rate of illiteracy among adults in the local communities. This lack of academic resources turns out to be an inconvenience when guiding their children through their academic years.

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SEED+ programme opened a **skill center in Pofadder** for adults, with the additional goal of **involving parents in the educational processes** of their children. This project can be considered a complement to the youth educational programme. Also, several **technical training course** are offered to participants, helping them in improving their **professional skills**.

## 2. Infrastructure and community development

KaXu Solar One invests in the development of **infrastructure for common use** that promotes the development of the community as a whole. This goal is achieved by **enhancing existing infrastructure or supporting the creation of new ones**. The purpose is to **raise the living standards** of the communities where the company is present, directly affecting the socioeconomic environment in the region.

## 3. Social protection

This programme supports the **protection** of the most vulnerable population groups and runs tools that promote **social integration**. The social protection programme also covers situations when **natural disasters** occur, when the most **basic needs**, such as shelter for families must be assured.

## What benefits offers the Loan Fund to local enterprises?

Rural based small businesses have particular **challenges** such as **access to profitable customers** and **access to finance**. Low income rural small businesses in the Khai Ma Local Municipality region have been neglected over many years with no access to finance. **Banks are not present** and most other credit providers are nowhere to be found in the Khai Ma Municipal region.

The ED Programme for Kaxu Solar One **responds to the needs** identified in existing enterprises of the region and start-ups projects by **local entrepreneurs**, while assuring the **sustainability** of the business projects participating in the programme. Thus, this programme aims to foster a **shift in the business culture** of the area.

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A business development service provider, **GO-Hi Consulting**, was appointed to design and establish the Enterprise Development Programme. Mr JJ Oosthuysen, lead consultant from GO-Hi Consulting, then designed and established the ED programme. The ED Programme commenced activities in **January 2015** to develop, grow and provide opportunities for low income small businesses.

Annex 1: Some of the beneficiaries of the management trainings celebrated in Pofadder.

Annex 2: Some of our students who participate in the kaxu's educational program.