

### 3: General funding mechanisms and options available

#### Commercial Bank

**GroFin** Financing and supporting small and growing businesses across Africa and the Middle East.

Loan <https://goo.gl/liynqq>

**Investec** Power & Infrastructure Finance: Arranger and underwriter of debt for projects. Selectively develops and take equity in projects.

Loan

Equity

<https://goo.gl/CC4JJJa>

**Old Mutual** IDEAS fund: Invests in commercially viable developmental projects in SADC.

Equity <https://goo.gl/UUI6nh>

**Nedbank** Responsible lending that rejects transactions that

do not meet the required- sustainability standards, and includes guidance to enable compliance.

Loan [www.nedbank.co.za](http://www.nedbank.co.za)

**Nedbank /**

**WWF**

The Green Trust supports programmes with a strong community-based conservation focus in multiple areas, including climate change.

Grant <https://goo.gl/DMSiHA>

**SCF Capital**

**Solutions**

Unsecured working capital based on invoice or supply contracts. R250k - R5m is offered with interest rates of 2-3% per month.

Loan <http://www.scfcap.com/>

**Development Finance Institutions**

German  
Investment  
Corporation

Amount ranging R4m-R30m for a duration of 4 years.

Loan  
Equity

[www.deginvest.de](http://www.deginvest.de)

Development  
Bank of South  
Africa

For green initiatives related to the green economy.

Loan  
Equity  
Grant

[www.sagreenfund.org.za](http://www.sagreenfund.org.za)

European  
Investment  
Bank

Direct and intermediated loans, minority investments in specialist private equity funds focussing on renewable energy and energy efficiency projects in emerging markets.

Loan [www.eib.org](http://www.eib.org)

GEF Special  
Climate  
Change Fund

Worth, ~USD350m, the fund is designed to finance activities, programs and measures under the following four financing windows: Adaptation to climate change (top priority), technology transfer, mitigation in selected sectors

including: energy, transport, industry, agriculture, forestry and waste management, and economic diversification.

Grant <https://goo.gl/IQNu2i>

German  
Bank for  
Reconstruction  
&  
Development  
(KfW)

For public entities focussing on energy and climate change

Loan <https://goo.gl/RALjfZ>

Global  
Environmental  
Facility

The Small Grants programme (SGP) invests in communities affected by environmental degradation.

Grant <https://goo.gl/qwA6Ed>

International  
Finance  
Corporation

Funds private sector development projects. May fund smaller businesses through financial intermediaries that on-lend.

Loan

Equity

<https://goo.gl/k4Br3Z>

Overseas  
Private  
Investment  
Corporation

Private project development focussed on renewable resources (and less on technology, health care, food and people). Involvement of a US company preferred.

Loan

Guarantee

[www.opic.gov](http://www.opic.gov)

The African

Development

Bank

Development projects in the public and private sectors.

Loan <https://goo.gl/QnTCz4>

Global

Innovation

Fund

Invests in social innovations that aim to improve the lives and opportunities of millions of people in the developing world.

Grant

Equity

Loan

[www.globalinnovation.fund/](http://www.globalinnovation.fund/)

World Bank World Bank Green Bonds are an opportunity to

invest in climate solutions through a high-quality credit fixed income product.

Loan <https://goo.gl/RBZMGS>

Government Department

Department

of Higher

Education and

Training

National Skills Fund: Finances costs directly related to the delivery of learning – not infrastructure and/or ongoing operational costs of SETAs.

Grant [www.dhet.gov.za/](http://www.dhet.gov.za/)

Department of  
Science and  
Technology

11D Tax Incentive: Undertaking R&D in South Africa qualifies for a 150% tax deduction of operational R&D expenditure.

Rebate [www.dst.gov.za/r-d](http://www.dst.gov.za/r-d)

**dti** Industrial Financing Loan Facilities encourage manufacturers to upgrade production facilities.

Loan <http://www.thedti.gov.za>

**dti** 12I Tax Allowance Incentive supports capital investment and training. Application deadline: 31 December 2017

Rebate [www.thedti.gov.za/](http://www.thedti.gov.za/)

**IDC** Industrial financing loan facilities (the Working Capital Component) to promote competitiveness in manufacturing while ensuring job retention in the sector<sup>17</sup>

Loan <https://goo.gl/FySmGc>

Department of  
Small Business  
Development

The Black Business Supplier Development Programme (BBSDP) is offered to small black-owned enterprises to improve their competitiveness and sustainability.

Grant <http://bbsdpgiants.co.za>

**dti** Black Industrialist Scheme: Unlocks industrial

potential through targeted and financial and nonfinancial interventions, described in the IPAP and other government policies.

Grant <http://www.thedti.gov.za>

**dti** Strategic Partnership Programme (SPP) supports manufacturing and services supply capacity of suppliers with linkages to strategic partner's supply chains, industries or sectors

Grant <http://www.thedti.gov.za>

**dti** The Capital Projects Feasibility Programme (CPFP) contributes to feasibility studies that lead to projects increasing local exports

Grant <http://www.thedti.gov.za>

17 The production incentive grants administered by the dti, as part of what was the Manufacturing Competitiveness Enhancement Programme (MCEP) has been suspended indefinitely. The loan component provided by the Industrial Development Corporation is still available

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**dti** Critical Infrastructure Grant (CIG): A cost sharing grant for projects to improve critical infrastructure.

Grant <http://www.thedti.gov.za>

**Department of  
Small Business  
Development**

Co-operative incentive Scheme (CIS): A 100% grant for registered primary co-operatives.

Grant <http://bbsdpggrants.co.za>

**Department of  
Small Business**

## Development

The Shared Economic Infrastructure Facility (SEIF) provides an enabling environment to crowd in investment, mostly in townships, rural areas and the inner city.

Grant <http://bbsdpggrants.co.za>

**dti** Sector Specific Assistance Scheme (SSAS): A reimbursable 80:20 cost-sharing grant offering financial support to for-profit export councils, joint action groups and industry associations.

Grant <http://www.thedti.gov.za>

**dti** Export Marketing & Investment Assistance Scheme: Develops export markets for local goods and services, and recruits new foreign direct investment.

Other <http://www.thedti.gov.za>

## National

### Research

### Foundation

Research/study funding for public tertiary institutions.

Grant <http://www.nrf.ac.za>

**dti** The Technology and Human Resources for Industry Programme (THRIP) is a research and development programme.

Grant <http://www.thedti.gov.za>

### Small

### Enterprise

### Development

### Agency

Seda Technology Programme (STP) is responsible for the provision of technology transfer, business incubation and quality support services for small

enterprise. Excludes R&D.

Grant [www.seda.org.za/](http://www.seda.org.za/)

Small

Enterprise

Development

Agency

Direct Lending where individuals apply directly to sefa. Direct Lending: R50k - R5m with tenors of 1-5yrs.

Loan

Guarantee

[www.seda.org.za/](http://www.seda.org.za/)

Small

Enterprise

Development

Agency

Wholesale Lending where financial intermediaries (Joint ventures, funds, RFI, MFI) are used. R20m-R100m with tenors of 1-5yrs.

Loan

Guarantee

[www.seda.org.za/](http://www.seda.org.za/)

South African

Revenue

Services

37B and 37C: Deductions regarding environmental expenditure and environmental maintenance.

Rebate <https://goo.gl/sC5Wos>

South African

Revenue

Services

12K Clean Development Mechanisms (CDM)



Tax Incentive (2009): South African businesses receiving CDM benefits are exempt from tax derived from such benefits, in Income Tax or Capital Gains Tax.

Rebate [www.sars.gov.za](http://www.sars.gov.za)

Western Cape

Government -

DEDAT

Cape Capital Fund: Grows small businesses in agri-processing and oil and gas sectors: supports purchase or new equipment and and improvement of business processes.

Grants <https://goo.gl/OUHkJm>

Technology

Innovation

Agency

Financial support to proposals based on merit. Includes R&D funding.

Grants

Loans

Equity

<http://www.tia.org.za/>

Private Equity

Atlantic Asset

Management

Focus: Intermediaries or businesses creating new jobs with a record less than 5 years. Investment range of R15m-R60m with a duration of 3-5yrs.

Loan [www.atlanticam.com/](http://www.atlanticam.com/)

Business

Partners

For: Businesses which actively develop, manufacture and provide goods and services by

implementing measures and/or technology which reduce their adverse impact on the environment.

Investment range: R500k-R30m.

Equity

Loan

[www.businesspartners.co.za/](http://www.businesspartners.co.za/)

**Adlevo Capital** Investments available to the public and private

sector with technology-enabled business models.

Equity [www.adlevocapital.com](http://www.adlevocapital.com)

**Treacle Private**

Equity

Equity capital to mid-market private and small cap listed companies in Southern Africa.

Equity [www.treacle.co.za/](http://www.treacle.co.za/)

**Sovereign Funds**

**Entrepreneurial**

**Development**

**Bank of**

**Netherlands**

**(FMO)**

Supports private sector entrepreneurship in developing countries: energy, agribusiness, food and water.

Loan

Guarantee

Equity

[www.fmo.nl/home](http://www.fmo.nl/home)

**French**

**Agency for**

**Development**

**(AFD)**

Development projects in energy, water, municipal

sector support and biodiversity.

Loan

Guarantee

Grant

<https://goo.gl/7QuiyH>

German

Federal

Ministry for the

Environment,

Nature

Conservation,

Building and

Nuclear Safety

(BMUB)

International Climate Initiative (IKI), supports climate and biodiversity projects in developing countries. Fund size: EUR 120m, annually.

Grant <https://goo.gl/9qJEEb>

Ireland

Development

Cooperation

Projects across various sectors involving an Irish Partner company.

Grant [www.idaireland.com](http://www.idaireland.com)

Japan Bank for

International

Cooperation

Focus areas: Energy & Natural Resources, Infrastructure & Environment and industry finance. Accessed through a Japanese business partner.

Loan

Equity

[www.jbic.go.jp/en/finance](http://www.jbic.go.jp/en/finance)

Japan  
International  
Cooperation  
Agency

Intergovernmental work regarding technical cooperation.

Loan

Grant

[www.jica.go.jp/english](http://www.jica.go.jp/english)

**PROPARCO** Private sector development projects (energy, infrastructure, agriculture, etc.).

Equity

Loan

<https://goo.gl/XQ7IOb>

United

Kingdom:

Prosperity

Fund

Programme

Fund to tackle climate change, strengthen energy security and promote an open global economy in emerging economies.

Grant <https://goo.gl/Rn4jLX>

Embassy of

Finland

Local Co-operation Fund: Supports initiatives in export and investment promotion, businesses and other groups.

Grant <https://goo.gl/AmNv2P>

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## Venture Capital

**4Di Capital** An independent seed- and early-stage technology

venture capital firm based in Cape Town.

Equity [www.4dicapital.com/](http://www.4dicapital.com/)

## AngelHub

### Ventures

Angel seed fund investing into lean start-ups with disruptive business models and technologies.

Investment range: R500k-R5m

Grant [www.angelhub.co.za/](http://www.angelhub.co.za/)

**Edge Growth** Edge Growth has 2 funds to fund Green projects.

Investment range: R1m-R20m. For: SMEs that have limited equity or don't qualify for credit from a bank.

Loan

Equity

[www.edgegrowth.com](http://www.edgegrowth.com)

## Hasso Plattner

### Ventures Africa

Invests solely in fast-growing and IT-driven companies in seed stage or growth stage.

Equity [www.hp-ventures.co.za/](http://www.hp-ventures.co.za/)

## Other

### Anglo-

### American

### Zimele Green

### Fund

Targets opportunities that mitigate carbon, reduce energy and water consumption, and improve waste and emissions management in the Anglo-American value chain. The Fund provides funding

of up to R10 million per project or business.

Grant <https://goo.gl/wr4cPF>

#### 5.4. Renewable energy-related funding mechanisms and options

Table 4: Energy services and renewable energy-specific funding mechanisms available

##### Commercial Bank

**ABSA** Funding of up to R100 million to private projects aimed at driving EE/RE.

Loan

Rebate

[www.absa.co.za/](http://www.absa.co.za/)

**FNB** Private project financing and credit line from AFD to finance EE/RE.

Loan [www.fnb.co.za](http://www.fnb.co.za)

**Merchant West** Seeking to establish relationships with suppliers

of solar energy, related installations and end users/customers.

Loan [www.merchantwest.co.za](http://www.merchantwest.co.za)

**Nedbank** Project financing and credit line from AFD to finance private EE/RE.

Loan [www.nedbankgroup.co.za](http://www.nedbankgroup.co.za)

**Sasfin** Sasfin Eco Finance helps clients to claim costsharing

grants from the dti, which provides manufacturing incentives for businesses that invest capital in EE/RE projects.

Grant <https://goo.gl/UJBeBA>

**Standard Bank** Private project financing and credit line from AFD to finance EE/RE.

Loan [www.standardbank.co.za](http://www.standardbank.co.za)  
Development Finance Institution  
Energy and  
Environment  
Partnership

Focuses on local private sector RE/EE project opportunities that are close to commercial maturity but need a limited amount of 'bridging' finance (around R1m) to enable sustainable business growth.

Grant [www.eepafrica.org](http://www.eepafrica.org)  
Industrial  
Development  
Corporation

To fund EE and self-use RE projects, as well as EE/RE municipal projects included in their IDP.

Loan <https://goo.gl/TprS3L>

Renewable  
Energy and  
Energy Efficiency  
Partnership

RE and EE projects in the private and public sector; aiming to leverage R50m of donor funding into R1b of private investment in clean energy solutions by 2022.

Grant [www.reeep.org](http://www.reeep.org)

DBSA /  
SouthSouthNorth  
(SSNA)

The Sustainable Settlements Facility provides a financial product to scale up EE interventions for large-scale, low-income public housing.

Grant

Subsidy

Rebate

<https://goo.gl/reNQI4>

The African

Development

Bank

Sustainable Energy Fund for Africa: Project Preparation Grants and Seed/Growth Capital.

Equity

Grant

<https://goo.gl/D71MEh>

Government Department

Department of

Energy

Energy Efficiency Demand Side Management (EEDSM) Programme: Available to municipalities for EE projects.

Grant <https://goo.gl/JvIWgJ>

Eskom Integrated Demand Management (IDM) programme: Rebate received on purchasing and installing selected EE/RE products.

Rebate <https://goo.gl/3NR79d>

South Africa

National Energy

Development

Institution

12L EE Tax Incentive: Tax incentives are being introduced for businesses that can show measurable energy savings.

Rebate <https://goo.gl/nDcWZ9>

South African

Revenue Services

12B RE Depreciation Incentive: Under section



12B of the Income Tax Act, businesses can depreciate investments in renewable energy and bio-fuel production at a rate of 50:30:20.

Rebate <https://goo.gl/IQkHr6>

Private Equity

Inspired

Evolution

Evolution One fund: Providing equity financing to innovative projects in clean energy (private or public) and clean technologies sectors in the SADC.

Equity [www.inspiredevolution.co.za/](http://www.inspiredevolution.co.za/)

Triumph Venture

Capital

Invests in the renewable energy sector with a focus on providing equity for growth capital financing, corporate acquisitions and recapitalisations.

Equity <https://goo.gl/ua9HRz>

Venture Capital

Persistent Energy

Capital

Aimed at private sector and community based organisations

Loan

Equity

<https://goo.gl/yxJSrh>

Please note that there is another database for RE developments in the rest of Africa, compiled and hosted by the Africa-EU Renewable Energy Cooperation Programme (RECP) (RECP 2016)15