

Social Employment Fund



Social Employment Fund: Terms of Reference (TOR) Mpumalanga

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1. Introduction

This funding round invites Strategic Implementing Partners (SIPs) with an established presence in Mpumalanga to apply for the implementation of Social Employment Fund (SEF)- Just Energy Transition (JET) programmes. Applicants must meet the eligibility criteria outlined in this Terms of Reference and demonstrate the capacity to design and implement a 12-month programme comprising up to 100 workdays per participant and supporting a minimum of 1,000 participants. Applications will be assessed against the Competitive Features set out below to ensure fair allocation of a limited funding envelope supporting 5,000 participants. Successful SIPs must be ready to commence implementation by February 2027.

This intervention proposes a dedicated, area-based SEF programme creating 5,000 work opportunities across six Mpumalanga power station communities affected by Eskom's coal-fired power station decommissioning programme. The intervention focuses on communities associated with Camden, Grootvlei, Hendrina, Arnot, Kriel and Komati power stations, located within the Emalahleni, Steve Tshwete, Msukaligwa and Dipaleseng local municipalities. Job allocations have been informed by a transparent weighted model that prioritises the Coal Transition Vulnerability Index (CTVI), together with population exposure, labour market vulnerability, municipal adaptive capacity and the long-term value of community assets following decommissioning.

The Social Employment Fund, now in its fifth round of implementation, continues to play an important role in strengthening the Social and Solidarity Economy by creating work opportunities that deliver social value while supporting community development. Over the past 4 years, the SEF has created approximately 180,000 temporary work opportunities across a range of sectors, including education support, environmental stewardship, and care and support services for vulnerable communities.

This intervention forms part of South Africa's Just Energy Transition (JET) response. The JET Implementation Plan identifies the need to support communities that are economically dependent on the coal value chain and are vulnerable to the impacts of the energy transition. For decades, coal mining, coal-fired power generation, logistics and related services have contributed significantly to Mpumalanga's economy. As power stations are decommissioned and associated economic activity declines, affected communities face increasing social and economic vulnerability. It is therefore in this context that communities currently experiencing, or expected to experience, disruption arising from the energy transition are considered from a JET perspective.

1.1. The SEF-JET Model

The model is grounded in the principles of the JET, which seeks to support workers and communities affected by the transition away from coal and other fossil fuel industries. This includes promoting worker retraining and redeployment, strengthening community resilience, fostering entrepreneurship, and creating pathways for economic diversification and sustainable livelihoods. The programme will create 5,000 temporary work opportunities, each comprising approximately 100 workdays over the implementation period. These opportunities will be delivered through socially beneficial and community-centred initiatives that align with the objectives of the Social Employment Fund (SEF) and contribute to local development, economic inclusion, and long-term community resilience. The thematic focus areas for the intervention are outlined below.

1.1.1. Proposed Allocation and Justification

Cluster	SEF jobs
Kriel and Matla (Emalahleni LM)	1,000
Camden (Msukaligwa LM)	900
Hendrina (Steve Tshwete LM)	900
Grootvlei (Dipaleseng LM)	850

Komati (Steve Tshwete LM)	300
Arnot (Steve Tshwete LM)	350
Provincial flexibility tranche (outside the six sites)	700
TOTAL	5,000

Note: The **Coal Transition Vulnerability Index (CTVI)** is a South African research-based tool that measures how vulnerable coal-dependent communities are to the impacts of the transition away from coal. It combines three key factors: exposure to coal transition risks, socio-economic sensitivity, and adaptive capacity into a single vulnerability score. In this programme, the CTVI is the primary allocation tool used to determine the distribution of 5,000 SEF work opportunities. The CTVI carries the highest weighting (35%) of all allocation criteria, making it the most significant factor in the allocation methodology. This ensures that resources are directed to communities facing the greatest transition-related risks through a transparent, evidence-based and equitable process. Furthermore, these allocations are subject to change as operational needs arise.

1.1.2. Implementation Arrangements

- *Delivery model:* one anchor SIP (or a consortium) contracted and meeting the SEF minimum-scale norm of at least 1,000 participants per SIP, with sub-implementation through local CBOs, in line with the standard SEF architecture of 1,000+ community partners. A three-month ramp-up is planned per SEF norms.
- *Work conditions:* 16 hours (two days) per week at the national minimum wage for 12 months, with PPE, tools, supervision, training and participant support funded within the grant.
- *Targeting:* recruitment prioritises unemployed residents of the named settlements; Exit pathways: each cluster plan names its handover asset, repurposing construction (Grootvlei, Camden, Komati), mine rehabilitation contracts (Kriel, Hendrina), and care/education systems.
- *Monitoring:* digital time-and-attendance per SEF requirements; monthly and quarterly reporting; a light-touch re-scoring of the allocation at month 9 using updated closure information, allowing jobs to be re-weighted between clusters in a second cycle if needed.

1.1.3. SEF Work Themes per Community

SEF Strategic Implementing Partners (SIPs) deliver programmes across a range of recognised common-good thematic areas, including early childhood development, education support, community health, community safety and gender-based violence (GBV) prevention and response, food security, environmental rehabilitation, greening and alien vegetation clearing, placemaking, public art, digital inclusion, community administration, and other integrated area-based interventions. The proposed thematic mix has been informed by the socio-economic profile, development priorities, and post-coal transition opportunities of each targeted community.

The thematic areas outlined below are indicative and based on a preliminary assessment of local needs and opportunities. They are intended to guide programme design and further scoping and should not be interpreted as a prescribed or exhaustive list of interventions. Final thematic priorities will be informed by detailed stakeholder engagement, local needs assessments, community priorities, institutional capacity, and implementation feasibility. **Additional thematic areas may be identified and incorporated** as the planning and consultation process progresses:

1. Food Security, Agriculture and Local Livelihoods	<p>Potential areas of work that strengthen household resilience, nutrition and local economic participation:</p> <ul style="list-style-type: none"> • Community and household food gardens • School nutrition support initiatives • Nutrition education and food security programmes • Climate-smart agriculture support • Smallholder and emerging farmer support programmes • Agriculture value-chain development • Community horticulture and food production initiatives • Agrivoltaics, aquaponics and related community food systems support programmes
2. Education, Early Childhood Development and Youth Development	<p>Potential interventions aimed at strengthening social infrastructure and improving long-term human development outcomes:</p> <ul style="list-style-type: none"> • Early Childhood Development (ECD) support programmes • School support programmes • Learner enrichment and after-school activities • Education support services • Youth development and mentoring initiatives • Community learning and skills development programmes • Training centre outreach and participant recruitment
3. Community Health, Wellbeing and Social Care	<p>Potential work that improves individual and community wellbeing, particularly for vulnerable groups:</p> <ul style="list-style-type: none"> • Home care, referral support - and community-based care • Health awareness and prevention campaigns • Respiratory and environmental health awareness programmes • Psychosocial support services • Community health well-being and Care services programmes
4. Community Safety, Social Cohesion and Gender-Based Violence Prevention	<p>Potential initiatives that strengthen social resilience and safer communities:</p> <ul style="list-style-type: none"> • Gender-based violence (GBV) awareness and response programmes • Community safety initiatives • Social cohesion and community mobilisation activities • Support networks for vulnerable groups • Community engagement and conflict prevention programmes
5. Environmental Restoration, Conservation and Land Stewardship	<p>Potential interventions that restore environmental assets while creating pathways into emerging green economy opportunities:</p> <ul style="list-style-type: none"> • Alien vegetation clearing • Land rehabilitation and restoration • Greening initiatives • Biodiversity and ecosystem restoration • Mine-affected land rehabilitation support • Community environmental awareness programmes
6. Water, Waste and Resource Management	<p>Potential workstreams that improve environmental sustainability and municipal resilience:</p> <ul style="list-style-type: none"> • Water conservation initiatives • Leak detection and water-loss reduction support • Waste collection and management • Recycling and circular economy initiatives • Resource recovery programmes • Community environmental cleanup campaigns
7. Public Spaces, Basic Services and Community Infrastructure	<p>Potential interventions that improve the quality, appearance and functionality of community assets</p> <ul style="list-style-type: none"> • Public-space maintenance and placemaking • Community facility upkeep • Community upgrading initiatives • Basic sanitation support

	<ul style="list-style-type: none"> • Road and stormwater maintenance support • Public infrastructure care and maintenance • Community beautification programmes
8. Community Capacity, Digital Inclusion and Civic Support	<p>Potential activities that strengthen local institutions and improve service access:</p> <ul style="list-style-type: none"> • Community administration support • Digital literacy and digital support services • Administrative support to schools, clinics and community organisations • Community outreach and information services • Service-access facilitation and referral support • Community data collection and operational support
9. Skills Development, Training and Just Transition Pathways	<p>Potential interventions that prepare participants for future economic opportunities and emerging sectors:</p> <ul style="list-style-type: none"> • Green economy skills development • Renewable energy sector preparation • Land rehabilitation skills training • Climate-smart agriculture skills development • Environmental management skills development • Training-facility feeder programmes • Work-readiness and transition pathways • Community recruitment and skills pipeline development
10. Climate Change Awareness and Community Resilience	<p>Potential areas focused on building community preparedness and participation in transition processes:</p> <ul style="list-style-type: none"> • Climate literacy programmes • Community climate engagement initiatives • Environmental awareness campaigns • Community resilience building • Just transition awareness and participation programmes • Community facilitation and stakeholder engagement

Cross-Cutting Principle: All thematic areas should be viewed as preliminary opportunities for delivery. Final thematic priorities should be determined through detailed scoping, stakeholder consultation and assessment of local needs, community assets, institutional capacity and co-funding opportunities. Other thematic areas may be identified and incorporated as the scoping process progresses.

Provincial Flexibility Tranche: thematic priorities for the up-to-three tranche sites will be determined through the same scoping and stakeholder process, with food security, environmental rehabilitation and alien-vegetation clearing near high-risk mines, and ECD/education support as the indicative starting set

1.1.4. Potential linkages into industry

Experience and exposure within the following value-chains would be competitive for your application as these will enhance pathways for participants within the towns post their work. These areas include:

Energy: Biogas / Clean Cooking and Carbon Offset Initiatives / Gas filling / Bio Fuel

Waste: Ash: Brick and Block manufacturing / Ash: Mine backfilling / Ash: Road rehabilitation / Waste tyre pyrolysis

Metals: Metal recycling

Agriculture: Agrivoltaics / Bee farming / Biofuel / Mushrooms /eco-bricks / Water treatment

Digitisation: WiFi installation

1.2. SEF Guiding Principles

The social employment strategy is informed by the following guiding principles:

- The work undertaken is **meaningful** to participants and to the wider community, in that it serves the common good i.e., it creates public goods and services that create social value.
- **Poor, disadvantaged communities** are the main beneficiaries of the work opportunities created and of the public goods and services delivered.
- The approach aims to enable **skills transfer and human capacity development**, building local capabilities and leadership to implement initiatives.
- **Partnerships** between public, private, civil society and community structures are promoted.
- **Local capacities**, resources and assets are leveraged.
- **Sustainability** is strengthened, including environmental, social and organisational sustainability.
- That **two days of work per week** provides the support scaffolding to foster other income generating activities on the other 3 days of the week.

2. Criteria

2.1. Eligibility Criteria

The SEF has pre-determined eligibility criteria to ensure that outputs are maximised and that the goals and objectives of the fund are met. Successful applications should meet the following overarching criteria set a minimum:

- a. Adherence to the guiding principles of the SEF.
- b. SIPs must demonstrate existing community linkages and presence within Mpumalanga such as existing relationships with local stakeholders, including community-based organisations (CBOs), community structures, municipalities, traditional authorities, or other relevant local institutions, where applicable
- c. SIPs must have experience either directly or as part of a consortium in each of the listed thematic areas in (1.1.3.) above. SIP must be able to design and implement programmes in all thematic areas.
- d. SIPs must be in good standing with the IDC. Where corrective action was required from a SIP as communicated in the form of a warning letter, breach notice or similar, the SIP must have corrected this to the satisfaction of the IDC by the date of submission.
- e. SIPs must demonstrate a credible approach to local implementation, including partnerships with appropriate local organisations, community structures, or institutions that will support programme delivery, participant recruitment, and community engagement.

2.2. Institutional Criteria

Lead applicants must continue to adhere to the following criteria. The following documents must be made available on submission

- a. The latest **audited** Annual Financial Statements. Note: reviewed / non-audited financial statements by an independent auditor will not be accepted.
- b. Be financially solvent and liquid

- c. Meet KYC requirements (FICA, Tax Compliance, etc.). A list of these requirements will be shared with shortlisted candidates.
- d. Demonstrate capacity and robust financial systems to accurately account for SEF allocations
- e. Demonstrate capacity and robust operating systems to manage the payment authorization workflows as per the Kwantu System
- f. Will be expected to adhere to relevant labour regulations viz., Basic Conditions of Employment Act; the Labour Relations Act.
- g. Proof of registration with the Department of Labour of UIF and COID (including letters of good-standing where necessary)
- h. Demonstrate the capacity to establish and maintain effective relationships with local stakeholders, including community-based organisations, municipalities, community structures, and other relevant institutions, to support programme implementation where appropriate.

3. Competitive Features

3.1. Organisation Excellence

SIPs should demonstrate strong organisational and administrative capacity, including their track record of compliance with SEF operational requirements and their approach to maintaining high standards of programme delivery.

3.2. Depth of Impact & Innovation

SIPs should demonstrate how their programmes have generated meaningful and measurable benefits for the communities they serve.

- That their work programmes have adhered to their proposed Theory of Change with this change resulting in tangible differences within communities
- Work programmes have been iterated and improved upon where circumstances dictate.

3.3. Pathways for Participants

SIPs must clearly demonstrate how their proposed work programmes will strengthen pathways to future employment, self-employment, entrepreneurship, and sustainable livelihoods. This may include:

- By providing actual skills and training (accredited, where possible) that would be useful for further employment
- By providing access, training and guidance on self-employment
- By opening pathways to entrepreneurial opportunities and markets
- By instilling a range of soft skills that equip participants to engage responsibly (financial literacy, CV writing, interview skills, communication skills)

3.4. Sustainability

SIPs should demonstrate organisational sustainability and their ability to leverage additional resources that enhance programme outcomes and long-term impact. This may include:

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- Diversification of funding sources and donor relationships.
- Strategic partnerships with public, private, and civil society stakeholders.
- Development of social enterprises or other sustainable revenue-generating initiatives.
- Commercial partnerships that create market access or offtake opportunities.

- Integration of programme activities with existing government, private sector, or community initiatives to ensure continuity and long-term benefit.

An ability to raise co-funding for this intervention is a material form of additionality.

4. Funding Criteria

A standard funding budget must be completed as part of the application pack. Key components of the budget include:

- a) A minimum of 75% of the total proposal budget must be for wages, including UIF, SDL and COID.
 - A minimum of 90% of participants are paid the National Minimum Wage.
 - 10% of participants are paid up to a maximum average of 175% of the National Minimum Wage, to allow for more skilled, supervisory and/or admin staff. This can be an aggregated total rather than per skilled participant. The budget must make clear how this component is allocated i.e. to what skills categories. Rates over and above this must be agreed with the IDC SEF Team.
 - UIF and COIDA allowance of 2% covering employer's contributions is included in the direct cost of wages.
 - SDL will be provided for where necessary
- b) The balance of up to 25% of the total budget must cover all non-wage costs. Your proposal will motivate the breakdown of these costs against the following categories:
 - Inventory
 - Tools (implements required for the Programme such as spades, brushes, etc.)
 - ii. Materials (consumables required for the Programme such as paint, seeds, etc.)
 - iii. PPE (protective gear for the participants)
 - Services
 - Technical
 - ii. Training
 - Programme Management (Monitoring of sites and participants, IT costs, mobile devices, energy solutions and data costs, sundry overheads)
 - Monitoring and evaluation costs to meet the reporting and evaluation requirements. These will be reviewed for reasonableness.
 - Where SIPs are VAT-registered, they must demonstrate how the VAT on non-wage procurement will be directed towards programmatic benefit (training, additional implements etc)

5. Reporting Requirements

Successful Strategic Implementing Partners (SIPs) are expected to have robust financial systems to account for the day-to-day accounting of the SEF budget. In addition, SIPs will be expected to adhere to the following reporting requirements.

5.1.1. Monthly and Quarterly reports

- a. Expenditure per budget category to date

- b. Monthly bank reconciliation with supporting evidence attached for each outflow
- c. Forecast expenditure per budget category
- d. Progress against contracted Programme outcomes
- e. Evidence of reported actuals against performance targets/ impact reported as it relates to project monitoring and evaluation
- f. Participant/ CBO Case studies as and when required
- g. SEF programme implementation site profiles as and when required for site visits, etc.

5.1.2. Impact reporting

- **Impact Indicator 1:** Number of people employed, against key demographic and financial data. This will be generated automatically by the reporting platform, based on the participant's information uploaded. SIPs will be expected to support and enable a digital entry, mid-term and exit survey of participants that will be developed and administered by the IDC, as part of measuring psycho-social impacts of the programme.
- **Impact Indicator 2:** How has the work undertaken contributed to the common good
- **Impact indicator 3:** How has the Social Employment programme strengthened organizational and institutional capacities for implementation of Social Employment in relation to SIP partners and in the communities served

The indicators for this are not required as part of the proposal but will be an output required as part of project inception, to allow SIPs to consult with their partners and local organisations on appropriate indicators for this once funding is confirmed.

As part of the proposal, SIPs may improve on their existing indicators. If this is the case, SIPs are required to propose 3-5 indicators for this that are relevant to the context and content of their proposal, with a brief summary of how these indicators will be measured, including consideration for the baseline to be utilized.

- **Impact indicator 4:** How has participation in the programme built the capacities and capabilities of participants? The indicators for these will also be by agreement in the inception phase. As part of the proposal, SIPs may improve on their existing indicators. If this is the case, SIPs are required to propose 3-5 indicators for this that are relevant to the context and content of their proposal, with a brief summary of how these indicators will be measured, including consideration for the baseline to be utilized.
- **Impact indicator 5:** How many participants will be trained utilising digital inclusion? How many participants will participate in accredited training? How many participants will receive soft skills training

6. Application Process

Allocations from the SEF are made using a competitive review process. Upon reviewing the above Terms of Reference, applicants must complete the following form and budget:

- a. SEF JET Application Form October 2026
- b. SEF JET October 2026 Budget Application

The above fully completed documents together with your latest **audited** annual financial statements must be submitted to SEFapplications@idc.co.za.

Applicants are urged to keep responses focused and concise, submit only necessary information and submit a single pack of information.

All applications should be received by close of business on **30 November 2026**. The IDC reserves the right to re-open this window in the event the broader objectives of the SEF are not being met from the applications received. The IDC reserves the right to amend and adjust requirements as and where it deems fit.

7. Additional Information

- For the first quarter of implementation the Fund will make advance payments to SIPs to cover the non-wage costs as well as costs of UIF and COIDA, based on the agreed budget and activity plan. Subsequent payments for these costs will be made quarterly, based on performance, verification of reported expenditure and projections for the coming quarter, with 10 percent of the programme management fees I budget withheld in the last quarter until submission of a closeout report on approved activities and expenditures.
- Ring fenced bank account: non-wage payments will only be made into a designated ringfenced project bank account from where all project related expenditure will be funded.
- Other government funding: Applicants are expected to declare any existing contracts with other public employment interventions, training programmes, etc. Failure to declare will be deemed a breach of trust and will result in immediate termination of the application and in the instance where contracting has been concluded, termination of the contract.
- If this programme will benefit from co-funding from any source, please specify.

8. Annexure A: Definitions

1. *Participant*: Participants need to be job-seeking South African citizens or have confirmed refugee status entitling them to work. This includes foreign nationals who have permission to work in South Africa. Participants cannot be concurrently enrolled on any other public employment programme, such as the Expanded Public Works Programme, the Community Work Programme or Youth Service. The participation of currently unpaid volunteers who are already undertaking meaningful community work is encouraged.

All adults (18 – 59 years) can participate. Participants above this age limit can only be included on an exception basis and if express permission is received. The inclusion of marginalised groups such as women, youth, and people with disabilities is encouraged, but there are no quota targets set.

Individuals receiving the Child Support Grant can participate. However, people receiving the Social Relief of Distress Grant ('the R350') would become ineligible for that grant for the duration of their employment. People receiving the NSFAS are also ineligible.

Participants working with vulnerable groups (Children, elderly & disabled) will be required to demonstrate that they do not have a criminal record. Any costs to demonstrate this may be included in the Non-wage budget.

2. *Strategic Implementation Partner (SIP)*: An organisation appointed and contracted by the Social Employment Fund (SEF) to design, coordinate, and implement social employment programmes, manage programme resources and participants, and ensure compliance with SEF operational, financial, monitoring, and reporting requirements, compliance with SEF requirements, and coordination with local community-

based organisations (CBO), stakeholders, and implementing partners to ensure effective programme delivery and impact.

3. *On-boarding*: Finding participants who meet the above definition and capturing their full details including name, ID or Passport number, correct banking information, address, education level and other personal information that the IDC may require from time to time.
4. *Social employment*: The concept of 'social employment' recognises and emphasises this reality, expanding the usual definition of public employment (or public works) programmes run by the state, to harness the energies and capabilities of the wider society, to enable a 'whole of society' approach to creating work for the common good. The aim is to enter into partnerships, or 'pacts of collaboration' with diverse social actors, to enhance public value creation – and to 'build back better' in the process. This recognises the considerable creativity, initiative and institutional capacities that exist in the wider society and aims to harness these – and strengthen them further - to create work on terms that respond to local priorities. It's a call for a strengthened social compact in which we use our collective strengths to create work on the scale required, using labour to create social value and building a better society – and economy – in the process.
5. *Decent work*: The work is socially useful, ethical work that enhances the quality of life; it is also meaningful work with decent working conditions and fair rewards for work done. The minimum wage in the programme is at the National Minimum Wage, and the work complies with regulated minimum labour standards. The SEF also contributes to Decent Work principles by epitomizing a human-centred approach to work, connecting people to each other, strengthening social cohesion and integration.
6. *Coal Transition Vulnerability Index (CTVI)* : is a South African, research-based tool designed to assess how vulnerable coal-dependent municipalities and communities are to the social and economic impacts of the transition away from coal. It combines three key dimensions into a single evidence-based vulnerability score:
 - **Exposure**: the extent to which a community depends on coal mining and coal-fired power generation.
 - **Sensitivity**: the likely severity of impacts arising from coal-related job losses and economic decline.
 - **Adaptive Capacity**: the ability of local institutions, economies and communities to respond to and adapt to the transition.

Within this programme, the CTVI serves as the **primary allocation tool** and forms the cornerstone of the job allocation methodology. Weighted at **35%**, the highest of all allocation criteria, it is the single most influential factor in determining how the 5,000 SEF work opportunities are distributed across the targeted communities.

The CTVI was prioritised because it is the only measure that integrates exposure, socio-economic sensitivity and adaptive capacity into a comprehensive vulnerability assessment. This enables the programme to direct resources towards communities facing the greatest risk from power station and mine closures, rather than relying solely on factors such as population size or closure timelines. As a result, the allocation process is evidence-based, transparent and equitable, ensuring that SEF opportunities are targeted where they are likely to have the greatest social and economic impact.