

Kruisvallei hydroelectric generation project: Improving the lives of the local community**Published: July 2021**

The Kruisvallei Hydro project is the third hydropower project procured under South Africa's Renewable Energy Power Producer Procurement Programme to come online. The project is situated along the Ash River between Clarens and Bethlehem in the heart of the Free State Province.

The project will invest in various small businesses and entrepreneurial skills training in the surrounding communities and will result in sustainable improvement in the living standards of people in these remote areas of South Africa, which are typically mired in poverty and don't have many opportunities for social upliftment and economic growth.

How it works

Kruisvallei's positioning is ideal. The facility is built on the Ash River, downstream of the Lesotho Highlands Water Scheme which feeds the Vaal Dam along what is essentially canalised agricultural land. Water flow is constant and regulated, and the environmental sensitivities are low.

The project will generate around 24GWh per annum, supplying enough clean energy to provide power to approximately 1 916 South African homes.

Most of the water is diverted from the existing Ash River into a canal that leads to electricity-generating turbines, which then return the water back to the river downstream, while a minimum amount remains in the river at all times to ensure the aquatic ecosystem is sustained. The result is much-needed power supplied to the national grid with little to no negative impact on the environment.

Construction started on 26 March 2019 and reached the Commercial Operations Date on 25 February 2021. The project will generate around 24GWh per annum, supplying enough clean energy to provide power to approximately 1 916 South African homes. The plant is split into two run-of-river hydropower plants that combine to supply 4MW of hydro-electric power through two turbines under a 20-year power purchase agreement.

[Read, Why Hydropower](#)

The project is financed by Facility for Investment in Renewable Small Transactions and Futuregrowth Asset Management (on behalf of its clients).

Measuring developmental impact

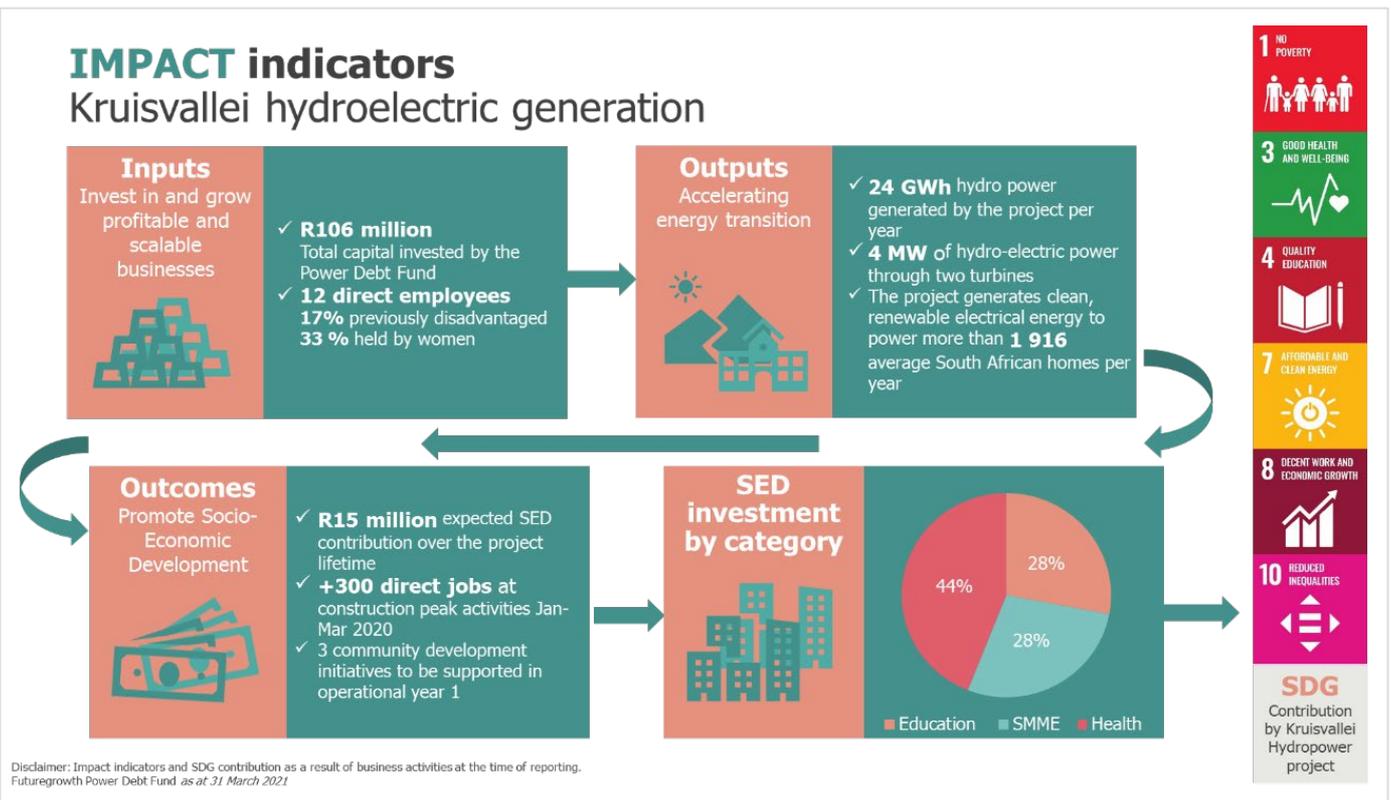
Futuregrowth actively measures and manages for impact. Our approach draws on industry accepted standards and aligns with the UN Sustainable Development Goals framework, amongst others. Key performance indicators are used to track the impact of the projects in which we are invested on behalf of our clients. These include:

- a. Input: **amount invested** to finance activities.
- b. Output: The **immediate results** of activities.
- c. Outcome: The **short- to mid-term social impact** as a result of activities.
- d. Impact: The **long-term changes in the lives of the beneficiaries** as a result of the outcomes above.



The Sustainable Development Goals (SDGs)

The United Nations SDGs are a universal call to action, and comprise 17 goals that provide clear guidelines and targets for all countries to commit towards implementing by 2030.



Community support

Unemployment, access to education and housing shortages are some of the biggest social and economic challenges experienced by the Clarens and Bethlehem communities. A portion from the Kruisvallei hydro project annual operating revenues will be used to support initiatives such as early childhood development (including nutrition programmes); youth and adolescent education, motivation and behaviour; employment and skills development opportunities; and substance abuse mitigation – all for the life-cycle of the project.

Socio-Economic Development

The Kruisvallei socio-economic development strategy is focused on the support of local small and medium black-owned businesses. This includes capital injection to improve their service offering and ability to seek growth opportunities. Some examples follow below.

a. Affordable Brickmaking Initiative

The Dihlabeng Municipality is currently facing a housing crisis. There is a shortage of affordable rental units, which forces residents to live in shared units. This is due to rising rentals and costs of building material.

The Ntlatfatsa Bophelo Cooperative was established in 2005 by Thabo Mosia in Kgubetswana Township near Clarens. The cooperative currently makes 50 block bricks per day using one machine. The business hadn't grown since then due to the size of the machine. The cooperative is able to sell one block of bricks for R5.00 compared to R7.60 charged in Clarens, making it the preferred brick maker in the area. Support for this initiative has enabled Mr Mosia to purchase another brickmaking machine and parameter fencing, which will increase daily production and create 10 permanent jobs in the community.

b. Fitness Plus Community Gym Initiative

Low-income households that are unable to afford access to exercise equipment and gym facilities find themselves struggling to maintain a healthy lifestyle. A community needs assessment conducted in March 2019 by the ED Advisory Services (Pty) Ltd in the Dihlabeng Municipality revealed that lifestyle diseases are a growing concern.

Founded in 2018 by Thabiso Mokebe, a beneficiary of the Kruisvallei socio economic development project, Fitness Plus is an affordable community fitness facility situated in the Kgubetswana Township near Clarens. The Fitness Plus gym appeals to community members who are seeking to become active, while also promoting a healthy lifestyle among the members of the community. Fitness Plus gym has become a social enterprise because of the additional income generated through establishing a kiosk at the gym, which hosts fitness classes and other activities that promote good health and wellbeing. The fitness centre has since employed five permanent workers and has received great support as a first of its kind in the community.

c. Atlehang Daycare Safe Playground Initiative

A lack of quality caregiving and safe spaces can be a hindrance for children to fulfil their potential. In South Africa, one in three children are victims of sexual and physical abuse on a daily basis. Safe playgrounds provide safe spaces for children to play and participate in a wide range of activities while under adult supervision. Kruisvallei is committed to engaging in such initiatives, to promote community-led action and create sustainable circles of care and protection for children - and has seen this as an opportunity to contribute towards child-friendly safe zones in the Kgubetswana Township near Clarens.

Established in 2016 by Anna Mofokeng, the Atlehang daycare centre lacked capacity, resulting in the exclusion of several children from the services provided. A contribution by Kruisvallei to this initiative will allow the facility to purchase and install playground equipment and parameter fencing. Child trauma training will also be provided, which will have a direct impact on over 60 children in the area.

"Red Rocket is committed to supporting communities through the Kruisvallei Hydro Project. Our aim is to enhance the lives of the people we serve, through our support of meaningful community-based initiatives. We believe that it is our responsibility to help develop and grow our positive impact, working closely with community members to understand what initiatives would help them most." Says Tebogo Mohlahlana, Economic Development & Community Manager for Red Rocket South Africa (Pty) Ltd.

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