

# GreenCape Overview

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Green Economy Investment and Finance Liaison

**Outward Mission**

October 2017

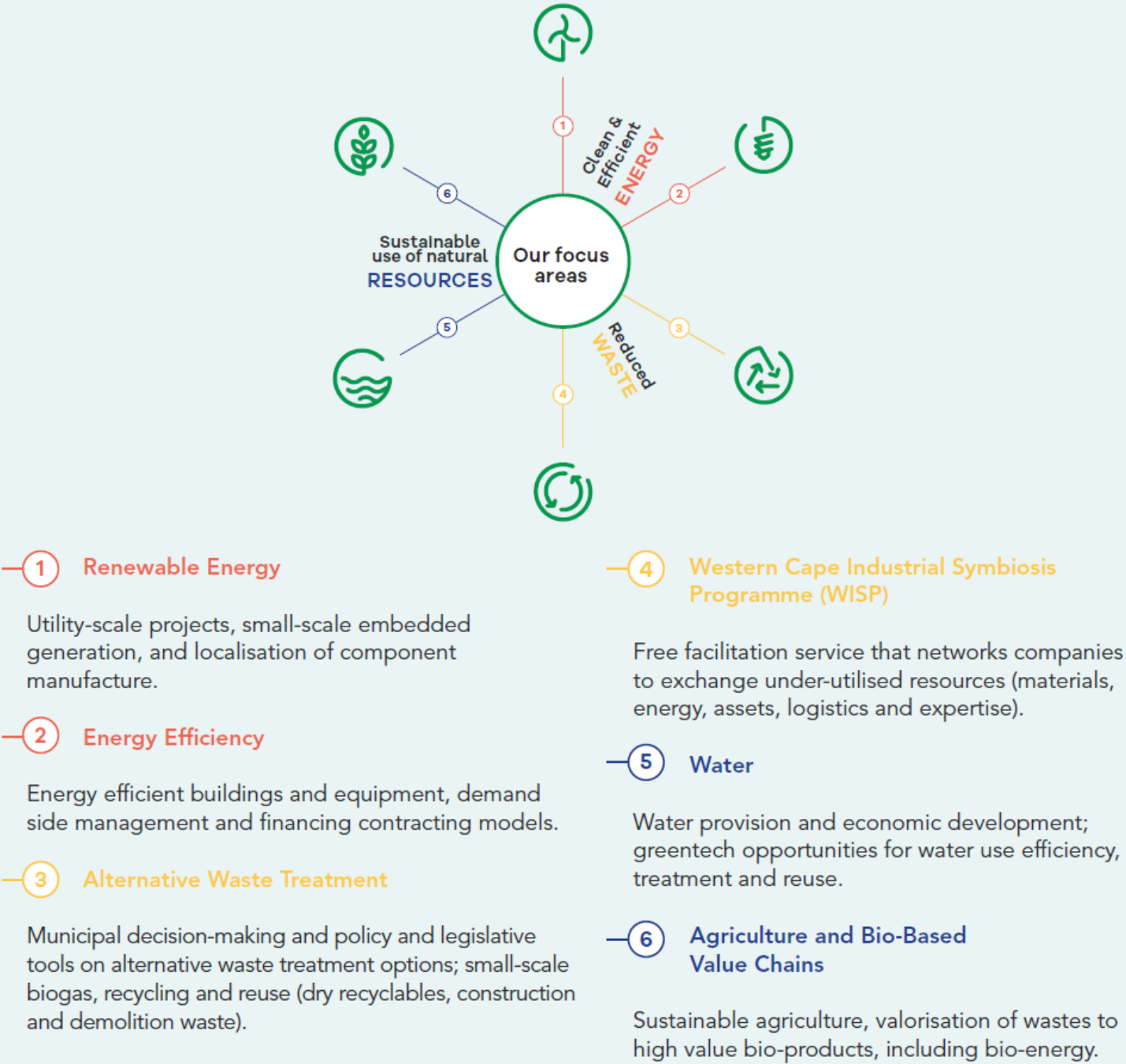
Context

Genesis

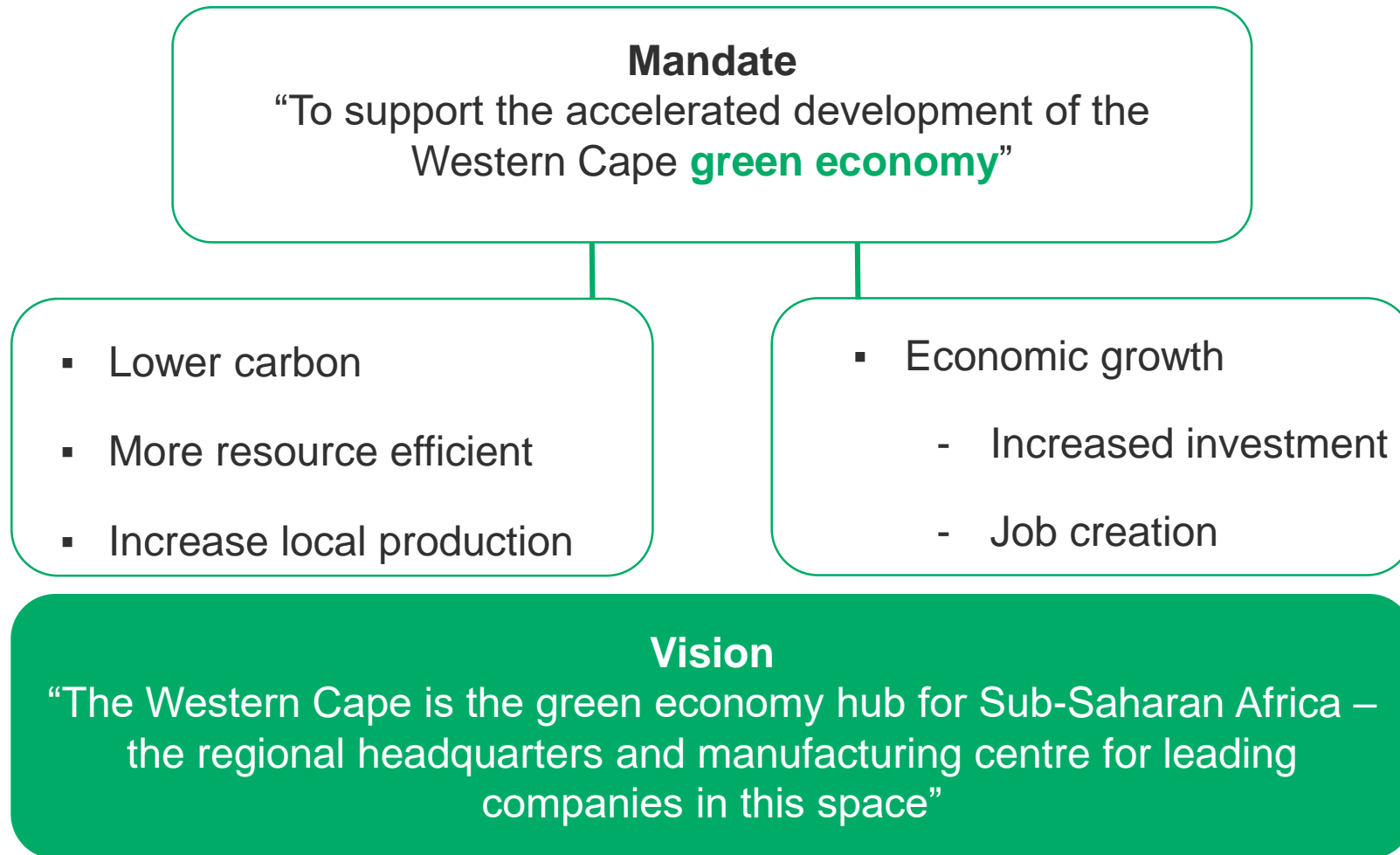
Overview of activities

Results

Learnings and going forward

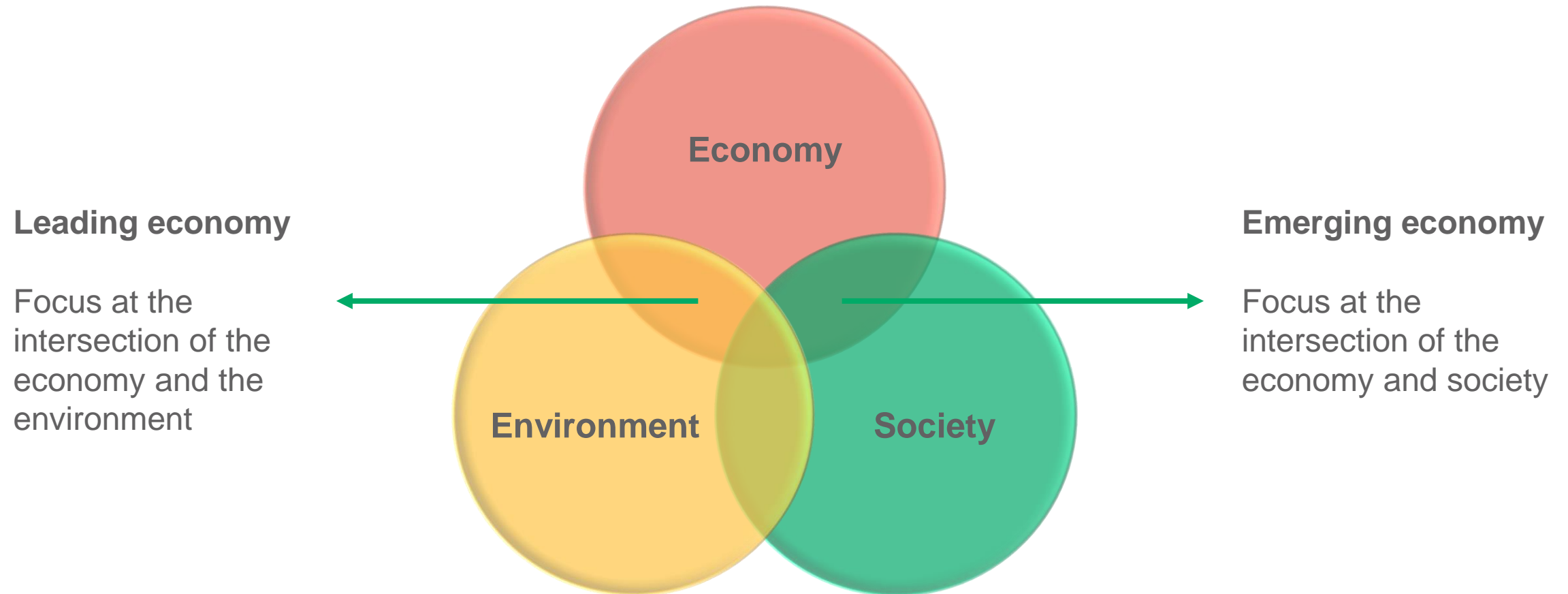


# A focus on manufacturing allows the green economy needs to become a permanent fixture in the national economy



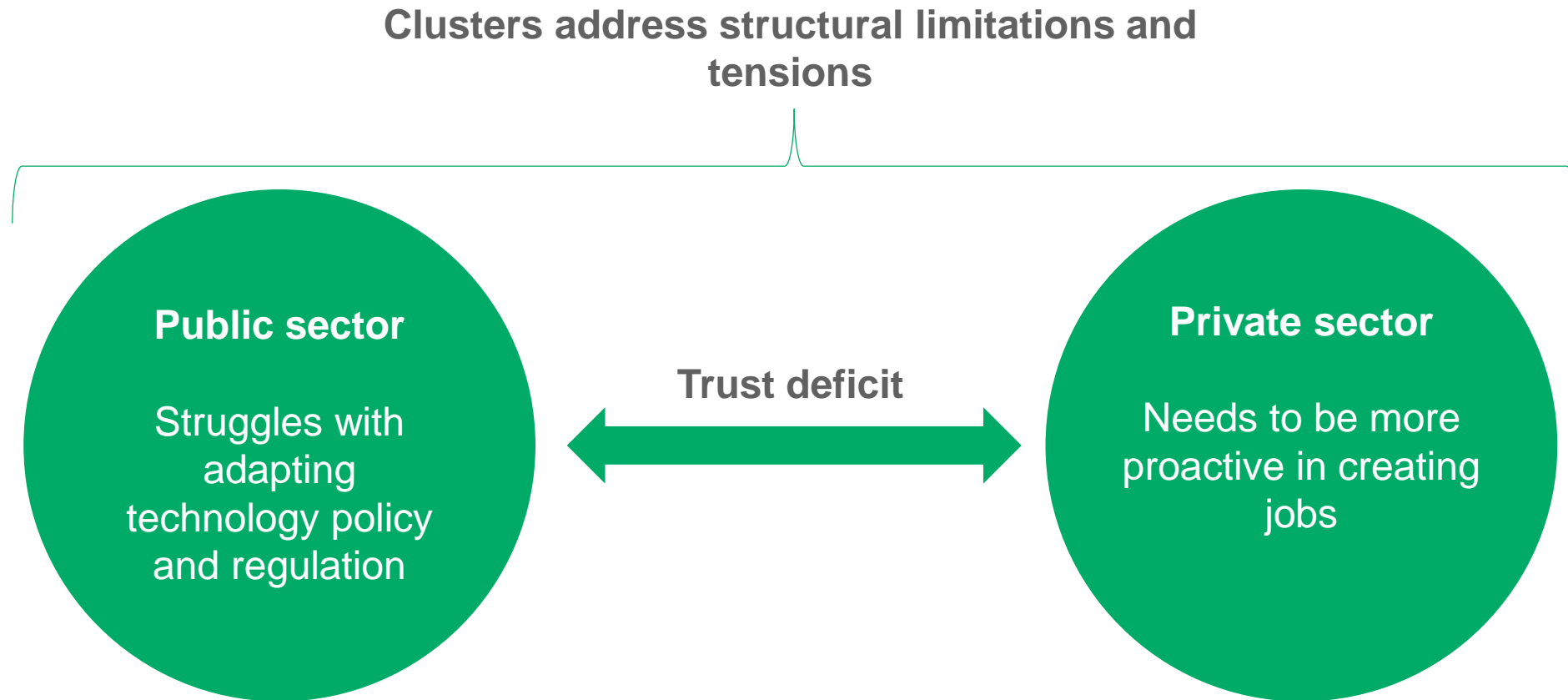
## Even when considering environmental issues, emerging markets maintain a distinct socio-economic focus

Environmental focus



# Clusters address the limitations of, and tensions between, the public and private sectors

Environmental focus



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- 1 Renewable Energy

Utility-scale projects, small-scale embedded generation, and localisation of component manufacture.
- 2 Energy Efficiency

Energy efficient buildings and equipment, demand side management and financing contracting models.
- 3 Alternative Waste Treatment

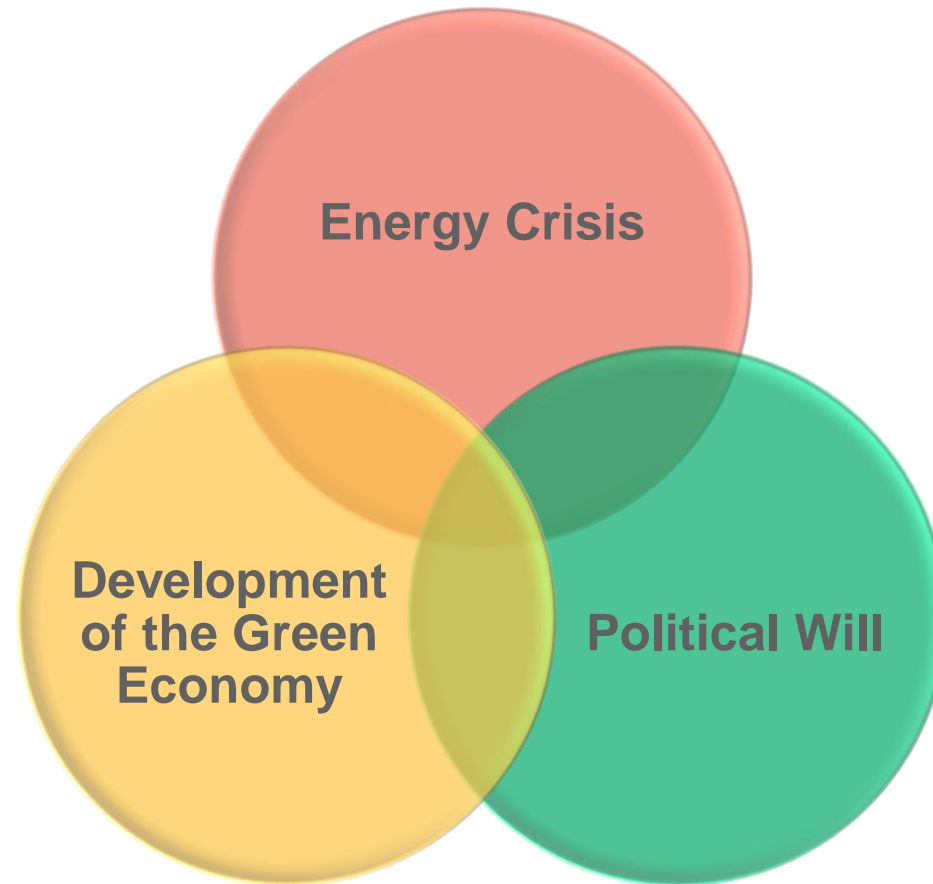
Municipal decision-making and policy and legislative tools on alternative waste treatment options; small-scale biogas, recycling and reuse (dry recyclables, construction and demolition waste).
- 4 Western Cape Industrial Symbiosis Programme (WISP)

Free facilitation service that networks companies to exchange under-utilised resources (materials, energy, assets, logistics and expertise).
- 5 Water

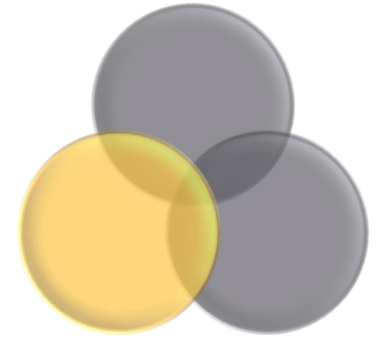
Water provision and economic development; greentech opportunities for water use efficiency, treatment and reuse.
- 6 Agriculture and Bio-Based Value Chains

Sustainable agriculture, valorisation of wastes to high value bio-products, including bio-energy.

## GreenCape was the result of three macro-trends dovetailing



# Development of the Green Economy



- Global movement reaches SA
- Lower tech prices
- Increase in green legislation
- Imminent IPP programme



# Outward Mission

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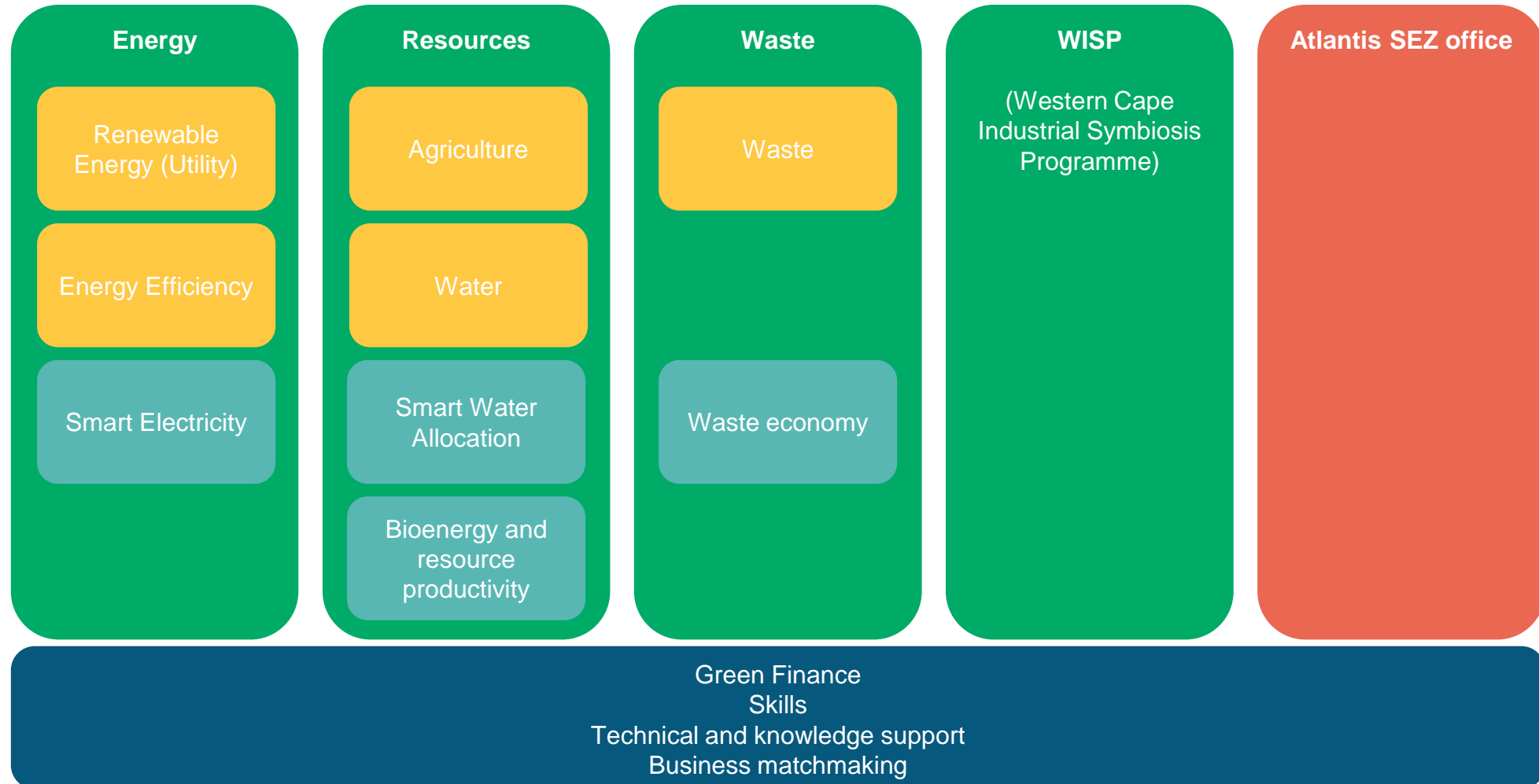
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# How are we set up?

- Programmes
- Sector Desk & Market Reports
- Projects
- Ring-fenced project
- Cross-cutting



# The range of work crosses a wide variety of outputs

## PASSIVE / INTERNAL

## ACTIVE / CLIENT-FACING

### Research:

- Field data through key relationships, site visits and networking
- Market Intelligence Reports
- Knowledge pieces
- Industry updates



### Tools:

- Green-Agri Portal
- Decision-making tools e.g. waste, non-revenue water
- Regulatory and legislative advice e.g. tariff work
- Green Finance Database



### Stakeholder engagement:

- Networking events
- Thought leadership presentations
- Setting up cross-sectoral and triple helix meetings
- Support for industry gatherings



### Front-line activity:

- Proposed Special Economic Zone for Greentech manufacturing
- Western Cape Industrial Symbiosis Programme (WISP)
- Market Connect and Finance Lab



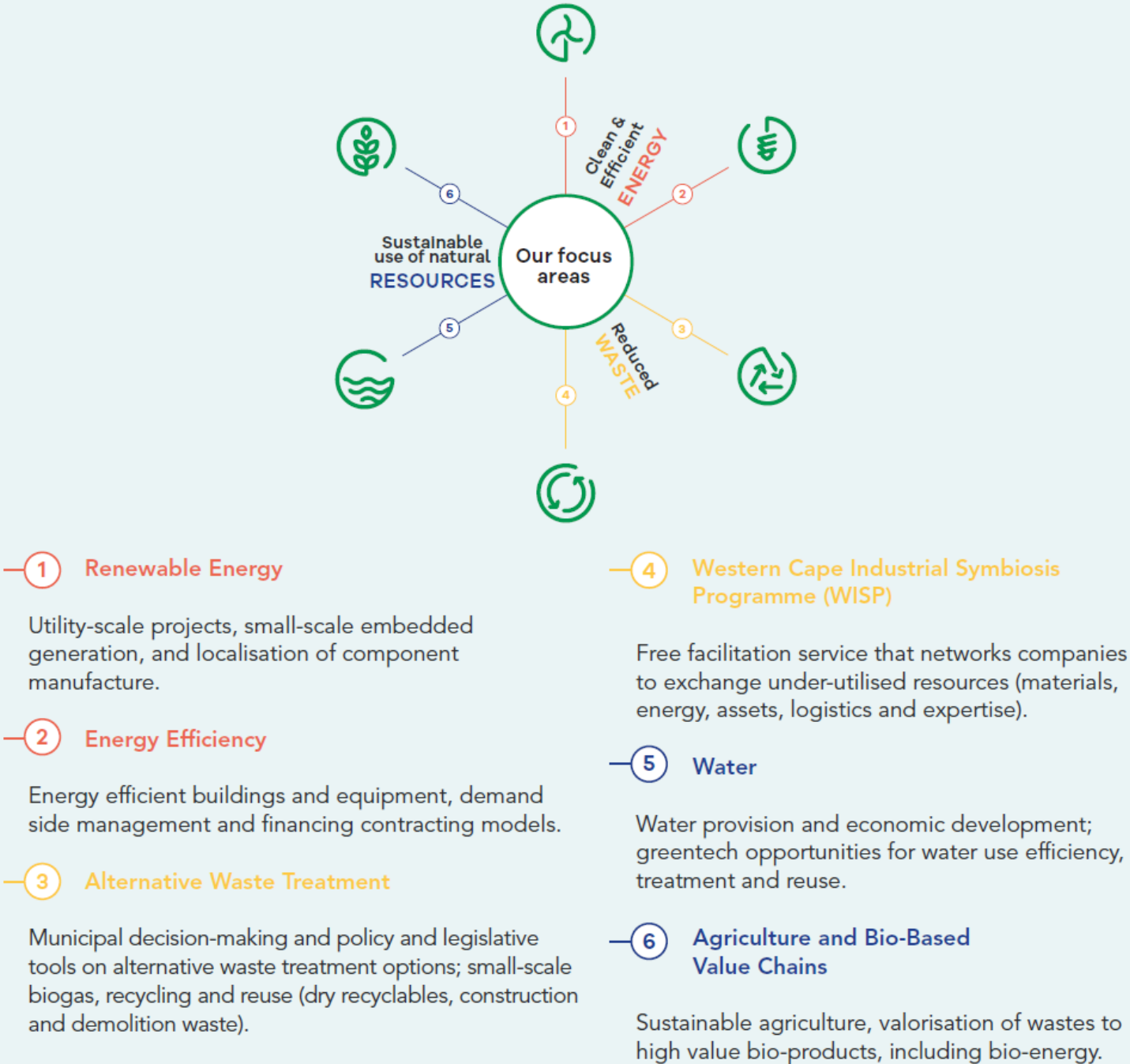
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# Headline results indicate that GreenCape has made significant socio-economic strides in setting up a cleantech foundation

- **ZAR17 bn investment** in the Western Cape since 2011
- **>10,000 local jobs** created

- **60% of successful REIPPPP projects** developed in the Western Cape
- **70% of successful renewable energy manufacturing** in the Western Cape

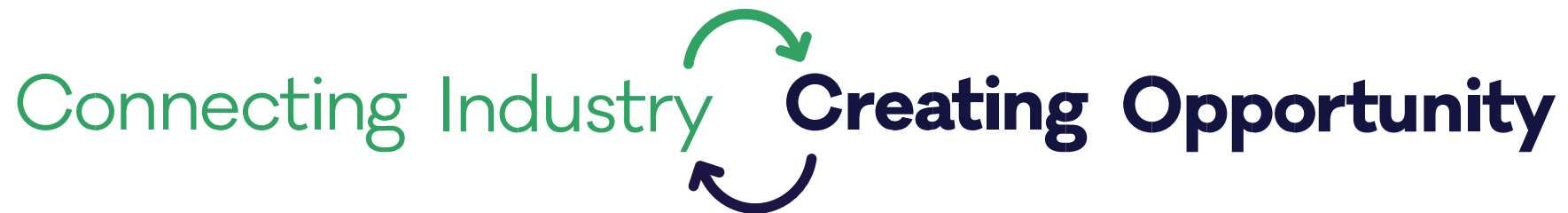
- **1st African Cleantech** cluster invited to join the world leading regions – International Cleantech Network (ICN)
- **>1000 Member** companies of the GreenCape cluster

- **Atlantis greentech hub** established – incentives for local manufacturing and services
- **SARETEC** providing local skills for the industry

## Example: Western Cape Industrial Symbiosis Programme (WISP)

### Overview

The **Western Cape Industrial Symbiosis Programme (WISP)** is a **free service** which **connects companies** so that they can **identify and realise** the **business opportunities** enabled by using **unused or residual resources** (materials, energy, water, assets, logistics, expertise)



## Example: Western Cape Industrial Symbiosis Programme (WISP)

### Results

**>450**

Companies in the Network

**>4000**

Under-utilised Resources Identified

Key Performance Indicator	To Date (July 2017)	7 Year Projection (Assuming No More Synergies Completed)
Waste Diversion	6,500 tonnes	14,300 tonnes
Additional Revenue	R 15.0 million	R 33.5 million
Cost Savings	R 13.10 million	R 24.4 million
Private Investment	R640 000	R5 million
Fossil GHG Savings	48,000 tonnes CO <sub>2</sub> e (~ 6 2.2MW wind turbines)	209,300 tonnes CO <sub>2</sub> e (~ 27 2.2 MW wind turbines)
Job Creation	25 temporary 20 permanent 73 economy-wide jobs	25 temporary 20 permanent 140 economy-wide jobs



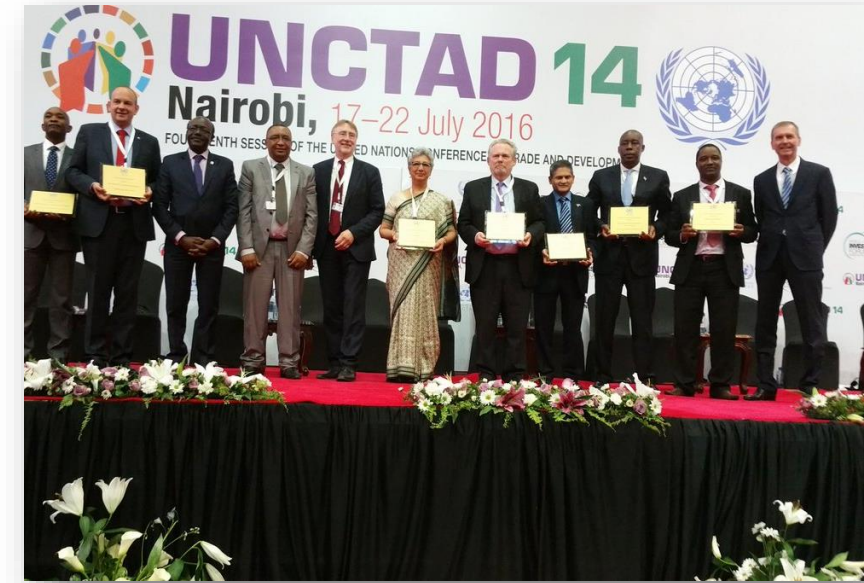
## Example: Renewable Energy Independent Power Producers Purchasing Programme (REIPPPP)

- Overview of arguable SA's most successful PPP since achieving democracy
- GreenCape's role was to act as a free and effective turnkey solution
  - Worked with Industry Associations
  - Attracted developers
  - Pushed through necessary troubleshooting





## Leading achievements at a national and international level



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### ICN - C40 Cities Challenge: Agriprotein

Rio de Janeiro and Agriprotein – Organic Waste Solution



### WISP – GreenCape housed project

Western Cape Industrial Symbiosis Programme – promoting resource efficiency and circular economy activities, first in CoCT and now RSA



## Leading achievements at a national and international level

### **GIZ - GreenCape**

Support for study tour to Germany – Instrumental in development of SARETEC

Co-financed Wind Turbine Training and Skills development programme at GC

Provided skills for Green Jobs programme



### **World Bank Group Market Connect Project**

Cross Border B2B Matchmaking facility run by GC

As of the end of August 2017:

- 11 months of formal matchmaking
- 130 formal expressions of interest
- Originating from companies and aggregators from more than 20 countries in Africa, North America, Asia and Europe
- Directly supporting 94 companies
- Impacting 7 different sectors in the South African Green Economy



## Leading achievements at a national and international level

### GreenCape – WESGRO – InvestSA OSS

Myself as a manifestation of the partnership between the City of Cape Town, Regional and National government (One stop shop and Atlantis SEZ)





# The Cape Investor Centre launched in 2017



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## Positioning, people and prioritization drives performance

- **Strong links to the triple helix**, across all green subsectors, including continued financial and nonfinancial support from all tiers of government. Credible position in the ecosystem, driven by:
  - Alignment with national / provincial / local policies and strategies
  - Political neutrality
  - Legal independence
  - Technical competence
- **Diverse, high quality team**
- **Smart growth**
  - Initial focus and success on RE, enabled expansion
  - Robust problem-solving approach
  - Impact orientation (ruthless prioritisation)

## Positioning, people and prioritization drives performance

### Going Forward

- Building on a **South African equivalent to a 'feed-in tariff'** which is now being used by 20 municipalities in the Western Cape and has become the national standard - SSEG
- Looking to **leverage clustering best practice** from Europe to help expand GreenCape's activities and footprint through a Switch Africa Green Application to the EU.
- Working on a several **financial models to increase the roll over of RE** in the City of Cape town, and to use this to investigate the viability of a Green Investment Bank in the South African context.





# Thank You

Jarrood Lyons

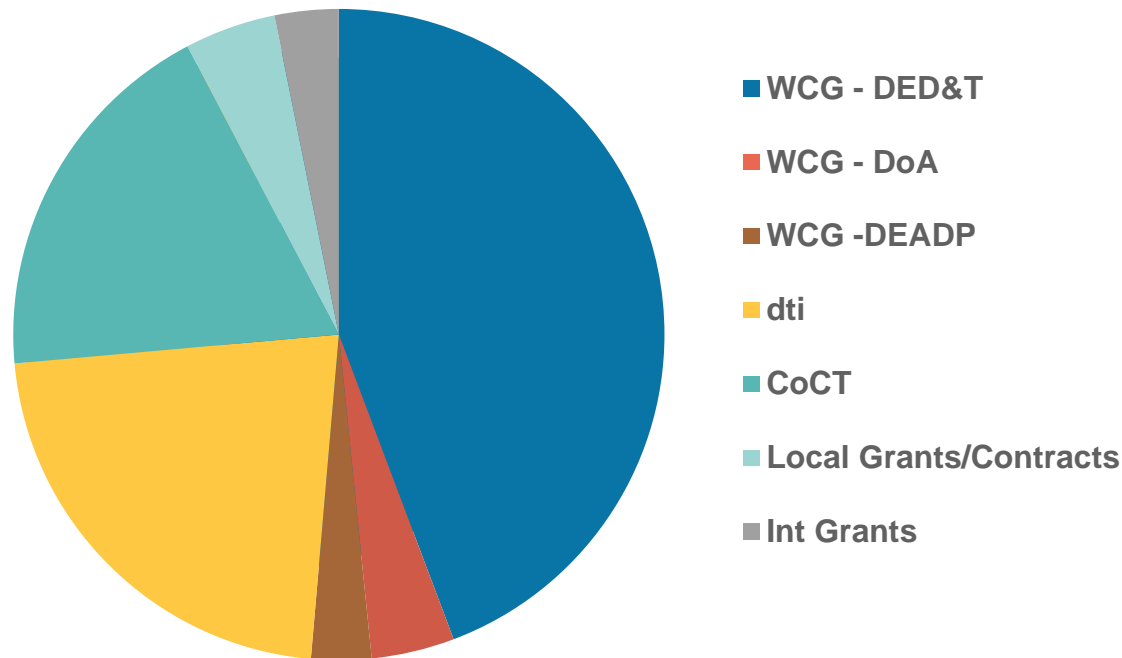
[jarrod@green-cape.co.za](mailto:jarrod@green-cape.co.za)

## Q&A



*“We’d now like to open the floor to shorter speeches disguised as questions.”*

# GreenCape funding is driven by all tiers of government, while reporting on traditional metrics for economic development



## Status quo

- Western Cape Government Department of Economic Development and Tourism provides a core base of funding
- Funding planned over 3 year periods, but allocated annually
- Key metrics for funders are impact in terms of investment and job creation

## Going forward

- Large multi-year funded projects such as *World Bank Market Connect and Finance Lab* form part of a movement towards sustainable funding

## Sustainable finance depends on continually providing value

- Benefit from government funding and grants early on
  - Initially housed in a Provincial Department
  - Spun out an independent entity (Special Purpose Vehicle)
  - Establishing a strong value proposition to help justify expansion
- Diversify funding through different governmental departments and grant funding (sector or geographical) usually through ring-fenced projects
- Naturally, over time, we can expect government funding to decrease
- Continually mapping of services that our stakeholders would be willing to pay for
  - Testing this by taking on more commercial projects
  - Tracking a potentially portfolio of services we could provide
- Ultimately, decrease dependence on government or grant-based funding into commercial, sustainably driven sources.

# GreenCape aims for a ruthless prioritization approach which is firmly adhered to

Illustration: Water Programme, 2017 - 2019

..... GreenCape focus threshold  
(note the slope)

